



WALCHANDNAGAR INDUSTRIES LTD.

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

Visionary Industrialist & Our Founder

AUDITED FINANCIAL RESULTS

FOR THE QUARTER AND YEAR ENDED 30-09-2010 (₹ in Lakhs)

| Particulars | Quarter Ended 30-09-2010 (Audited) | Quarter Ended 30-09-2009 (Audited) | Year Ended 30-09-2010 (Audited) | Previous Year Ended 30-09-2009 (Audited) |
|--|------------------------------------|------------------------------------|---------------------------------|--|
| Total Revenue (Sales, Operating & Other Income (A+B)) | 32036 | 14514 | 69368 | 52493 |
| 1 (a) Net Sales / Income from Operations | 31590 | 13921 | 67237 | 51262 |
| (b) Other Operating Income | 444 | 590 | 2117 | 1215 |
| Total Income (A) | 32034 | 14511 | 69354 | 52477 |
| 2 Expenditure | | | | |
| a. (Increase)/Decrease in Stock in trade and work in progress | (1037) | (999) | (919) | (3324) |
| b. Consumption of Raw Materials | 27340 | 10622 | 52014 | 38322 |
| c. Employees Cost | 1859 | 1330 | 6162 | 5320 |
| d. Depreciation | 367 | 291 | 1335 | 1053 |
| e. Other Expenditure | 2120 | 1878 | 7724 | 6888 |
| Total Expenditure | 30649 | 13122 | 66316 | 48259 |
| 3 Profit from Operations before Other Income, Interest & Exceptional Item (1-2) | 1385 | 1389 | 3038 | 4218 |
| 4 Other Income (B) | 2 | 3 | 14 | 16 |
| 5 Profit before Interest & Exceptional Item (3+4) | 1387 | 1392 | 3052 | 4234 |
| 6 Interest | 175 | 161 | 749 | 697 |
| 7 Profit after Interest but before Exceptional Item (5-6) | 1212 | 1231 | 2303 | 3537 |
| 8 Exceptional Item | | | | |
| Advances written off pursuant to out of court settlement | 2198 | | | |
| Less : Contingency Reserve specifically created against same adjusted (see Note No 3) | 2085 | | 113 | |
| 9 Profit (+) / Loss(-) from Ordinary Activities before tax (7+8) | 1212 | 1231 | 2190 | 3537 |
| 10 Tax expenses | 195 | 454 | (39) | 1197 |
| 11 Net Profit (+) / Loss(-) from Ordinary Activities after tax (9-10) | 1017 | 777 | 2229 | 2340 |
| 12 Extraordinary Item (net of tax expenses ₹.....) | - | - | - | - |
| 13 Net Profit (+) / Loss(-) for the period (11-12) | 1017 | 777 | 2229 | 2340 |
| 14 Paid up Equity Share Capital (Face Value of ₹ 2/- each) | 761 | 761 | 761 | 761 |
| 15 Reserves (Excluding Revaluation Reserve) | NA | NA | 21851 | 22152 |
| 16 Earnings Per Share (EPS) (₹ 2/- Paid per share) | | | | |
| Basic ₹ | 2.67 | 2.04 | 5.85 | 6.15 |
| Diluted ₹ | 2.67 | 2.04 | 5.85 | 6.15 |
| 17 Public shareholding | | | | |
| Number of shares | 17131592 | 17131592 | 17131592 | 17131592 |
| Percentage of Shareholding | 45% | 45% | 45% | 45% |
| 18 Promoters and promoter group Shareholding | | | | |
| a) Pledged/Encumbered - | | | | |
| Number of shares | 600000 | 2150000 | 600000 | 2150000 |
| Percentage of shares (As a % of the total shareholding of promoter and promoter group) | 2.87 | 10.27 | 2.87 | 10.27 |
| Percentage of shares (As a % of the total share capital of the company) | 1.58 | 5.65 | 1.58 | 5.65 |
| b) Non-Encumbered | | | | |
| Number of shares | 20338613 | 18788613 | 20338613 | 18788613 |
| Percentage of shares (As a % of the total shareholding of promoter and promoter group) | 97.13 | 89.73 | 97.13 | 89.73 |
| Percentage of shares (As a % of the total share capital of the company) | 53.42 | 49.35 | 53.42 | 49.35 |

Notes :

- The above results have been taken on record, reviewed by Audit Committee & approved by the Board of Directors in its meeting held on 22nd November 2010.
- During the Quarter, 22 Investors' complaints were received, which were promptly attended to and no complaints were pending at the beginning and at the end of the Quarter.
- Exceptional Item - During the year, the Company reached an out of court settlement with Project & Equipment Corporation of India Ltd. (PEC) on all their disputes pertaining to the cement project at Padang Indonesia, which were long pending before the Hon'ble High Courts of Bombay (suit filed by the Company) and Delhi (suit filed by PEC). Consequent to the said settlement, both the suits stand withdrawn. Accordingly, the Company has after adjusting the contingency reserve created specifically against the same, charged off the net amount of settlement to the Profit & Loss Account.
- Auditors Qualification - No provision has been made for the liability, if any, in respect of the Bank Guarantee amounting to ₹ 700 lakhs invoked during the Current Year (shown under Loans and Advances) and in respect of ₹ 744 lakhs owed by a party appearing in the Balance Sheet under the head Sundry Debtors. The Company has disputed the claim of Bank Guarantee invocation and initiated arbitration proceedings to recover both the amounts of invoked Bank Guarantee as well as the contractual dues. Further the Company has been legally advised that it has a case worth pursuing in the matter. Based on all facts of the case, the Company is of the opinion that it has a good case on merits. In view of the foregoing, matter being sub-judice no provision is considered necessary in the accounts.
- The Company had issued 80,00,000 fully paid equity shares to the promoters on preferential basis, post conversion of 8,00,000 convertible warrants and received a total amount of ₹ 5072 lakhs. Out of these ₹ 1272 lakhs has been utilised for capital expenditure, ₹ 2780 lakhs for working capital and the balance amount of ₹ 1020 lakhs is invested in Liquid Mutual Funds.
- The Board has recommended Dividend of ₹ 1/- Per Equity Share (50%) subject to the approval of the shareholders.
- Figures have been regrouped for the previous periods, wherever necessary.

STATEMENT OF ASSETS AND LIABILITIES

FOR THE HALF YEAR ENDED 30-09-2010 (₹ in Lakhs)

| Particulars | 6 months ended 30/09/2010 Audited | 6 months ended 30/09/2009 Audited |
|--|-----------------------------------|-----------------------------------|
| SHAREHOLDERS' FUNDS: | | |
| (a) Capital | 761 | 761 |
| (b) Reserves and Surplus | 21851 | 22152 |
| LOAN FUNDS | 10392 | 12495 |
| Deferred Tax Liability | 590 | 1059 |
| TOTAL | 33594 | 36467 |
| FIXED ASSETS | 15507 | 14503 |
| INVESTMENTS | 4676 | 4622 |
| CURRENT ASSETS, LOANS AND ADVANCES | | |
| (a) Inventories | 22315 | 17173 |
| (b) Sundry Debtors | 35725 | 26633 |
| (c) Cash and Bank balances | 3472 | 4148 |
| (d) Other current assets | 29 | 23 |
| (e) Loans and Advances | 16865 | 10870 |
| Less : Current Liabilities and Provisions | | |
| (a) Liabilities | 64378 | 40733 |
| (b) Provisions | 617 | 772 |
| MISCELLANEOUS EXPENDITURE (NOT WRITTEN OFF OR ADJUSTED) | - | - |
| PROFIT AND LOSS ACCOUNT | - | - |
| TOTAL | 33594 | 36467 |

SEGMENT - WISE REVENUE,

RESULTS & CAPITAL EMPLOYED

(₹ in Lakhs)

| Particulars | Quarter Ended 30-09-2010 (Audited) | Quarter Ended 30-09-2009 (Audited) | Year Ended 30-09-2010 (Audited) | Previous Year Ended 30-09-2009 (Audited) |
|---|------------------------------------|------------------------------------|---------------------------------|--|
| Primary Segment (I) | | | | |
| Segment Revenue | | | | |
| a) Heavy Engineering | 30821 | 13554 | 64993 | 48438 |
| b) Foundry and Machine Shop | 1084 | 839 | 3705 | 3732 |
| c) Others | 224 | 181 | 850 | 557 |
| Total | 32129 | 14574 | 69548 | 52727 |
| Less : Inter segment Revenue | 95 | 63 | 194 | 250 |
| Net Sales/Income from Operations | 32034 | 14511 | 69354 | 52477 |
| Segment Results | | | | |
| Profit/(Loss) before Interest and Tax | | | | |
| a) Heavy Engineering | 1454 | 1539 | 3494 | 4598 |
| b) Foundry and Machine Shop | 64 | (10) | (67) | 149 |
| c) Others | 10 | 6 | 117 | 22 |
| Total | 1528 | 1535 | 3,544 | 4769 |
| Less : Interest | 175 | 161 | 749 | 697 |
| Less : Other unallocable | 141 | 143 | 605 | 535 |
| Expenditure net of unallocable Income | | | | |
| Profit/(Loss) Before Tax | 1212 | 1231 | 2190 | 3537 |
| Capital Employed | | | | |
| Segment Assets | | | | |
| Less : Liabilities | | | | |
| a) Heavy Engineering | 23435 | 24306 | 23435 | 24306 |
| b) Foundry and Machine Shop | 3303 | 3489 | 3303 | 3489 |
| c) Others | 616 | 470 | 616 | 470 |
| d) Unallocated (Excluding Investment) | 1565 | 3580 | 1565 | 3580 |
| Total | 28919 | 31845 | 28919 | 31845 |
| Secondary Segment (Export) (II) | | | | |
| External Revenue by location of Customers | 2521 | 1296 | 5995 | 9692 |
| Total carrying amount of Segment Assets (To the extent allocable) | 675 | 2632 | 675 | 2632 |
| Total Cost incurred to acquire Segment Assets | 24 | 29 | 24 | 29 |

For WALCHANDNAGAR INDUSTRIES LTD.

Place : Mumbai
Date : 22nd November, 2010

CHAKOR L. DOSHI
CHAIRMAN

A Tradition of Engineering Excellence