


**WALCHANDNAGAR INDUSTRIES LTD.**

Regd. Office: 3, Walchand Terraces, Tardeo Road, Mumbai - 400 034. CIN : L74999MH1908PLC000291

Tel No. : (022) 40287110 Fax : (022) 23634527, E - mail : investors@walchand.com, Website: www.walchand.com

PART I

(₹ in Lakhs)

**Statement of Unaudited Results for the Quarter & Nine Months ended on 31st December, 2016.**

Particulars	For the Quarter Ended			For 9 months ended	For 15 months ended	18 Months Ended
	31st December, 2016	30th September, 2016	31st December, 2015	31st December, 2016	31st December, 2015	31st March, 2016
	1	2	3	4	5	6
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Income from operations</b>						
(a) Net sales/income from operations (Net of excise duty)	9,977	9,832	12,841	27,387	68,438	79,648
(b) Other Operating Income	11	52	78	143	532	564
<b>Total Income from operations (net)</b>	<b>9,988</b>	<b>9,884</b>	<b>12,919</b>	<b>27,530</b>	<b>68,970</b>	<b>80,212</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	4,522	4,402	5,084	12,961	33,715	37,105
(b) Sub-contracting Expenses, Processing Charges and Other Direct Costs	770	547	1,039	1,838	10,625	11,273
(c) Changes in inventories of finished goods, work-in-progress	621	310	277	(126)	1,343	3,357
(d) Employee benefits expense	2,008	2,123	2,290	6,153	11,238	13,583
(e) Depreciation and amortisation expense	446	470	543	1,382	2,847	3,384
(f) Other expenses	1,184	853	1,433	3,058	7,455	8,688
<b>Total expenses</b>	<b>9,551</b>	<b>8,705</b>	<b>10,666</b>	<b>25,266</b>	<b>67,223</b>	<b>77,390</b>
<b>3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>437</b>	<b>1,179</b>	<b>2,253</b>	<b>2,264</b>	<b>1,747</b>	<b>2,822</b>
<b>4 Other Income</b>	<b>16</b>	<b>28</b>	<b>40</b>	<b>60</b>	<b>384</b>	<b>524</b>
<b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional items(3+4)</b>	<b>453</b>	<b>1,207</b>	<b>2,293</b>	<b>2,324</b>	<b>2,131</b>	<b>3,346</b>
<b>6 Finance costs</b>	<b>2,017</b>	<b>1,565</b>	<b>1,691</b>	<b>4,995</b>	<b>7,438</b>	<b>8,978</b>
<b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items &amp; foreign exchange fluctuation (5+6)</b>	<b>(1,564)</b>	<b>(358)</b>	<b>602</b>	<b>(2,671)</b>	<b>(5,307)</b>	<b>(5,632)</b>
<b>8 Exchange Currency Fluctuation Gain/(Loss)</b>	<b>85</b>	<b>(26)</b>	<b>(207)</b>	<b>(6)</b>	<b>(348)</b>	<b>(214)</b>
<b>9 Exceptional items (Refer Note No.4)</b>	<b>(204)</b>	<b>(390)</b>	<b>-</b>	<b>(594)</b>	<b>351</b>	<b>(1,013)</b>
<b>10 Profit / (Loss) from ordinary activities before tax(7+8 + 9)</b>	<b>(1,683)</b>	<b>(774)</b>	<b>395</b>	<b>(3,271)</b>	<b>(5,304)</b>	<b>(6,857)</b>
<b>11 Tax expense (Refer note 5)</b>	<b>-</b>	<b>632</b>	<b>-</b>	<b>632</b>	<b>311</b>	<b>311</b>
<b>12 Net Profit / (Loss) from ordinary activities after tax(10+11)</b>	<b>(1,683)</b>	<b>(1,406)</b>	<b>395</b>	<b>(3,903)</b>	<b>(5,615)</b>	<b>(7,168)</b>
<b>13 Extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>14 Net Profit / (Loss) for the period (12+13)</b>	<b>(1,683)</b>	<b>(1,406)</b>	<b>395</b>	<b>(3,903)</b>	<b>(5,615)</b>	<b>(7,168)</b>
<b>15 Paid-up equity share capital (Face Value of ₹ 2/- each)</b>	<b>761</b>	<b>761</b>	<b>761</b>	<b>761</b>	<b>761</b>	<b>761</b>


16	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	10,471
17	<b>Earnings Per Share (before &amp; after extraordinary items)</b> (of ₹ 2/- each) (not annualized):						
	(a) Basic	(4.42)	(3.70)	1.04	(5.84)	(14.75)	(18.83)
	(b) Diluted	(4.42)	(3.70)	1.04	(5.84)	(14.75)	(18.83)

**Notes:**

1. The above results, as reviewed by Audit Committee and approved by the Board of Directors at its meeting held on 30th January, 2017, have been taken on record.
2. At the end of current period, trade receivables include ₹ 3,368 Lakhs on account of projects which are closed/ on hold. Out of this, trade receivables worth ₹ 520 Lakhs are against the projects which are closed where the Company is confident of receiving the same from customers. The balance of ₹ 848 lakhs are dues from parties against whom the Company has initiated legal/arbitration proceedings. Pending the ultimate outcome of the cases which is presently unascertained, no provision has been made in respect of these dues.
3. Inventory includes work in progress of ₹ 2600 lakhs in respect of orders which have been cancelled/ put on hold. The Company is of the opinion that no provision is required to be made as on 31st December, 2016 as this stock will be either liquidated or diverted to other projects.
4. Exceptional item for the current quarter includes provision of ₹ 50 Lakhs against old debtors and ₹ 154 Lakhs against Stock with Subcontractors. The management however continues to pursue the recovery of old dues and Stock with Subcontractors and the balance is considered as good.
5. The company is carrying deferred tax asset of ₹ 1901 Lakhs created in the previous years. The position of Deferred Tax will be reviewed at the end of the financial year.
6. The statutory Auditors have carried out a limited review of the results for the quarter ended on 31st December, 2016.
7. The corresponding numbers for the previous year to date are for the period of 15 months due to change in accounting year for a period of 18 months ended on 31st March, 2016 and therefore not comparable with the current year to date numbers for a period of 9 months ended on 31st December, 2016.
8. Figures for the previous periods have been regrouped/ rearranged wherever considered necessary to make them comparable.

Place: Mumbai  
Date: 30th January, 2017

For WALCHANDNAGAR INDUSTRIES LTD.

  
G. K. PILLAI  
MANAGING DIRECTOR & CEO  
(DIN : 01537184)

A TRADITION OF ENGINEERING EXCELLENCE


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**SEGMENT-WISE REVENUE, RESULTS & CAPITAL EMPLOYED**

Particulars	For the Quarter Ended			For 9 months ended	For 15 months ended	18 Months Ended
	31st December, 2016	30th September, 2016	31st December, 2015	31st December, 2016	31st December, 2015	31st March, 2016
	1	2	3	4	5	6
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Segment Revenue</b>						
(a) Heavy Engineering	8,425	8,348	11,827	22,982	62,375	72,209
(b) Foundry and Machine Shop	1,292	1,271	762	3,695	5,060	6,147
(c) Others	293	289	349	919	1,650	1,990
<b>Total</b>	<b>10,010</b>	<b>9,908</b>	<b>12,938</b>	<b>27,596</b>	<b>69,085</b>	<b>80,346</b>
Less : Inter segment Revenue	22	24	19	66	115	134
<b>Net Sales/Income from Operations</b>	<b>9,988</b>	<b>9,884</b>	<b>12,919</b>	<b>27,530</b>	<b>68,970</b>	<b>80,212</b>
<b>2 Segment Results</b>						
Profit/(Loss) before Interest and Tax						
(a) Heavy Engineering	672	1,353	2,578	2,809	3,694	5,737
(b) Foundry and Machine Shop	26	(74)	(201)	(130)	(1,123)	(1,229)
(c) Others	(12)	65	43	115	197	226
<b>Total</b>	<b>696</b>	<b>1,344</b>	<b>2,420</b>	<b>2,794</b>	<b>2,768</b>	<b>4,734</b>
Add: Exceptional Item	(204)	(390)	-	(594)	351	(1,011)
Less : Finance Cost	2,017	1,565	1,691	4,995	7,438	8,978
Less - Other unallocable expenditure net of unallocable income	158	163	334	476	985	1,602
<b>Profit/(Loss) Before Tax</b>	<b>(1,683)</b>	<b>(774)</b>	<b>395</b>	<b>(3,271)</b>	<b>(5,304)</b>	<b>(6,857)</b>
<b>3 Capital Employed</b>						
<b>Segment Assets</b>						
Heavy Engineering	119760	119146	124505	119760	124505	120762
Foundry and Machine Shop	6035	6048	6466	6035	6466	6290
Other	4124	4400	4473	4124	4473	4333
Unallocated	5940	6096	8658	5940	8658	8444
<b>Total</b>	<b>136159</b>	<b>135690</b>	<b>144102</b>	<b>136159</b>	<b>144102</b>	<b>139829</b>
<b>Less : Liabilities</b>						
Heavy Engineering	76977	74864	77554	76977	77554	75876
Foundry and Machine Shop	3030	3069	2827	3030	2827	2971
Other	273	239	250	273	250	236
Unallocated	4617	4574	4529	4617	4529	4552
<b>Total</b>	<b>84898</b>	<b>82746</b>	<b>85160</b>	<b>84898</b>	<b>85160</b>	<b>83635</b>
<b>Total</b>	<b>51261</b>	<b>52944</b>	<b>58942</b>	<b>51261</b>	<b>58942</b>	<b>56194</b>

For WALCHANDNAGAR INDUSTRIES LTD.

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

(DIN : 01537184)

Place: Mumbai

Date: 30th January, 2017

**A TRADITION OF ENGINEERING EXCELLENCE**

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

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**RE: Review report on quarterly and year to date Financial Results of the Company pursuant to Regulation 33 of SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015**

1. We have reviewed the accompanying statement of unaudited financial results of **Walchandnagar Industries Limited** (“the Company”) for the quarter and nine months ended on December 31, 2016 attached herewith being submitted by the Company pursuant to Regulation 33 of SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Indian Generally Accepted Accounting Principles. Our responsibility is to issue a report on this Statement based on our review.
2. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement of financial results is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in all material respects in accordance with applicable accounting standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.




4. Emphasis of Matter

- a) Attention is invited to Note No. 2 of the published results regarding Old trade receivables of Rs. 1,368 Lakhs on account of projects which are closed/ on hold. Out of this, trade receivables worth Rs. 520 Lakhs are against the projects which are closed where the Company is confident of receiving the same from customers. The balance of Rs. 848 Lakhs are dues from parties against whom the Company has initiated legal/arbitration proceedings. Pending the ultimate outcome of the cases which is presently unascertained, no provision has been made in respect of these dues.
- b) Attention is invited to Note No. 3 of the published results regarding non moving inventory of work in progress amounting to Rs. 2600 Lakhs on account of orders which have been cancelled/ put on hold. The Company contends that this stock will either be liquidated or diverted to other projects without any loss arising there from.

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



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

  
**Satis Kelkar**  
Partner  
Membership No.: 38934

Place: Mumbai  
Date : January 30, 2017