

107th ANNUAL REPORT
OCT. 2014 - MAR. 2016



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,
15/1/B-2 G.A. Kulkarni Path
Opp. Karishma Society Gate No. 2,
Kothrud,
Pune – 411 038, Maharashtra, India.
Phone: +91 (020) 3025 2400
E-mail : investors@walchand.com

Factories

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

Compliance Officer

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

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Letter from the Chairman



Dear Members,

It is my pleasure to welcome you all to the 107th Annual General Meeting and present the Annual Report of your company. The year under consideration covers a period of 18 months (Oct 14 – Mar 16) in order to comply with the provisions of the Companies Act, 2013.

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. However there are significant opportunities in strategic sectors like Defence, Nuclear and Aerospace (DNA).

Your Company has ended the Financial Year 14-16 with revenue of ₹ 807.37 Crore and a Net Loss of ₹ 71.68 Crore. Notwithstanding the net loss, the much improved performance of our DNA business especially over the last 3 quarters of Financial Year 14-16 gives us confidence about the Company's potential in such niche business areas. The encouraging sign is that the current order book position has almost 50% orders for DNA/Manufacturing business which would steadily go up in the current Financial Year. Hence your company looks at sectors like Defence, Nuclear and Aerospace (DNA) as high potential areas for the future growth and a clearly defined growth strategy for the same has already been put in place. With clarity emerging in the area of Nuclear Power Program in India, your company is also fully geared up to leverage all possible opportunities that would open up.

Another focus area would be to significantly ramp up the product business i.e. Gear Boxes and Centrifugal Machines. With a stronger marketing push and also by leveraging opportunities in the exports markets, your company is confident of profitable growth in this segment also.

We are sure that conducive business environment coupled with emphasis on DNA business and organizational alignment would enable your Company to deliver much improved 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 107th Annual General Meeting of the members of Walchandnagar Industries Limited will be held as scheduled below:

Day : Friday
Date : August 12, 2016
Time : 4.00 pm
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 Financial Statements for the period / financial year ended on March 31, 2016 together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Chirag C. Doshi (DIN:00181291) Director, who retires by rotation at 107th Annual General Meeting and, being eligible, offers himself for re-appointment.
3. 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), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Statutory Auditors, in terms of the provisions of Section 141 of the Act and the Rules, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) 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:

4. 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 2017, be paid remuneration of ₹ 3,00,000/- (Rupees Three Lakhs) plus service tax as applicable and reimbursement of actual travel and out-of-pocket 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: May 24, 2016

CIN: L74999MH1908PLC000291
Tel: 022 - 40287109, Fax : 022 - 23634527
E-mail: investors@walchand.com
Website: www.walchand.com

Notes:

- a) A Statement under Section 102(1) of the Companies Act, 2013, relating to the Special Business under Item No. 4 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, on a poll, to vote on his/her behalf and a 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 duly completed and signed not less than forty-eight hours before the commencement of the meeting.**

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A Member holding more than ten 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 a proxy for any other person / shareholder.

- c) Corporate members intending to send their authorized representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified true copy of the Board Resolution together with the respective specimen signature of those representative authorised under the said resolution to attend and vote on their behalf at the Meeting.
- d) Members / Proxy Holders / Authorised Representative are requested to produce at the entrance of the hall admission slips duly completed and signed, in accordance with the specimen signature registered with the Company for admission to the Meeting Hall.
- e) 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.

- f) Members holding shares in Dematerialised Form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in Physical Form are requested to advise any change in their address or bank mandates immediately to the Company / Link Intime India Pvt. Ltd.
- g) Members who have not encashed their dividend warrants for the financial years ended September 30, 2008 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 the 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.
- h) 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 February 13, 2015 (date of last Annual General Meeting) on the website of the Company (www.walchand.com).
- i) In terms of the Clause 5A of the Listing Agreement, the Company has complied with the requirement by dematerialising the unclaimed shares to the Unclaimed Suspense Account.
- j) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialised 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.
- k) 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.
- l) Copies of the Annual Report 2016 containing Notice of 107th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form are being sent by electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2016 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 dematerialised 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.

The letter and E-communication Registration Form is available on the website of the Company viz. www.walchand.com.

- m) 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.
- n) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent of the Company for consolidation of the folios.
- o) 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.
- p) Members may also note that the Notice of the 107th AGM and the Annual Report for 2016 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 any working day (except Saturday and Sunday). 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. For any communication, the shareholders may also send requests to the Company's investor email id: investors@walchand.com.
- q) Mr. Chirag C. Doshi (DIN : 00181291), Director of the Company retire by rotation at the 107th Annual General Meeting and being eligible offer himself for re-appointment.
- The brief resume, nature of his expertise in functional areas, disclosure of relationships between Directors, Directorships and Memberships of Committees of the Board of Listed entities and shareholding of Non-Executive Directors, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in this Notice as **Annexure 'A'**.
- r) 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.

s) Voting through electronic means:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members a facility to exercise their right to vote at the 107th 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). The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

Initial password is provided at the bottom of the Attendance Slip for the AGM.

I The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on August 09, 2016 at 9:00 am and ends on August 11, 2016 at 5:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of August 05, 2016 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 sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both 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).
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- (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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows**

phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) 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 linked in the login 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.

(xx) 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** Mr. V. N. Deodhar of M/s. V. N. Deodhar & Co., Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-voting process and the Ballot form 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, and submit the Report 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 Pvt. Ltd. (Unit: Walchandnagar Industries Limited) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078, on or before August 11, 2016 (05:00 pm).
- 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.

VII Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 12, 2016.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 4

The Board of the Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. S. R. Bhargave & 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 2017, 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 the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

The Resolution as at Item no. 4 of the Notice is therefore set out as an Ordinary Resolution for approval and ratification by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

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: May 24, 2016

CIN: L74999MH1908PLC000291
Tel.: 022-40287109, Fax : 022- 23634527
E-mail: investors@walchand.com
Website: www.walchand.com

Annexure 'A' to the Notice

Information about the Appointee as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(1) Brief Resume:

Name of Director : Mr. Chirag C. Doshi

Age : 42 Years

Qualification : B. A. (Economics) from University of Michigan, USA; and MBA from the world-renowned 'INSEAD INSTITUTE' Paris.

(2) Expertise & Experience in specific functional areas:

Mr. Chirag C. Doshi has extensively worked on following and risen to the position of President and then Managing Director of the Company:

- 1) Development of business strategy and execution of growth initiatives;

- 2) Corporate Finance and strategic fund raising;
- 3) Has been successful in turnaround of loss making family business;
- 4) Exploring and studying new businesses for organic and inorganic growth including next generation technologies.

(3) Disclosure of relationships between Directors inter-se:

Mr. Chirag C. Doshi, Managing Director is son of Mr. Chakor L. Doshi, Chairman. He is not related to any other Director of the Company.

(4) Name(s) of listed entities in which the person holds the directorship and the membership of Committees of the Board:

Mr. Chirag C. Doshi is Chairman and Managing Director of M/s. Bombay Cycle and Motor Agency Limited (BCMA). He is also Member of the Audit Committee of BCMA.

(5) Shareholding of Non-Executive Director

N.A.

Route Map to the AGM Venue

Venue: Walchand Hirachand Hall, Indian Merchants' Chambers Building, 4th Floor, Churchgate, Mumbai - 400 020.

