

# 111<sup>th</sup> ANNUAL REPORT 2019 - 20



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*A Tradition of Engineering Excellence*

**WALCHANDNAGAR INDUSTRIES LIMITED**



## SETH WALCHAND HIRACHAND

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

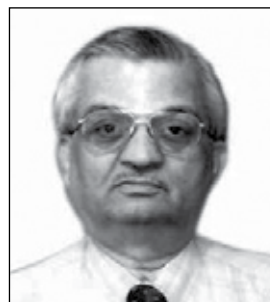
**Sardar Vallabhbhai Patel**



Chakor L. Doshi  
Chairman



Dilip J. Thakkar  
Director



Dr. Anil Kakodkar  
Director



Rupal Vora  
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) 23612195/96/97

## 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 : (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

M/s. Link Intime India Pvt. Ltd.  
C 101, 247 Park, L B S Marg,  
Vikhroli (West), Mumbai 400 083.  
Ph. No.: (022) 49186270  
Fax No.: (022) 49186060

## Auditors

M/s. Jayesh Sanghrajka & Co. LLP.  
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 111<sup>th</sup> Annual General Meeting and present the Annual Report of your company. The year under consideration covers the period April 2019 to March 2020. At the outset, I hope and pray that all of you and your families are well and keeping safe.

The year gone by was full of challenges starting with a generally tepid business environment, liquidity constraints and the occurrence of COVID-19 pandemic towards the end. However, your company has stuck to its defined strategy of focusing on its core businesses while at the same time gradually completing its legacy projects. The order book at the end of Financial Year 19-20 stood at a healthy INR 890 Crore with a more profitable order-mix than in previous years. This is primarily due to a healthy accretion of orders in the strategic businesses, especially Aerospace. These strategic businesses (Aerospace, Nuclear and Defence) combined with product businesses now account for approximately 65% of the total order book. There has also been a marked progress in the execution and completion of legacy projects with accrual of certain retention monies locked up therefore.

Your company ended the Financial Year 19-20 with total revenue of INR 318 Crore and notwithstanding the net loss for the year, feels confident about putting up a much improved performance in the next fiscal year and beyond. The fact that our manufacturing operations have resumed much faster (after taking all necessary precautions) after the initial period of lockdown and that our esteemed customers have entrusted us with an increasing share of critical orders (eg. Marque orders like the flight hardware for the human space flight program by ISRO) is testimony to our preparedness and optimism. We continue to engage with our bankers and lenders to ensure a conducive liquidity and working capital position to be able to execute these orders in fiscal Financial Year 20-21.

WIL has geared up for the challenge ahead in terms of a learner organization structure and filling up of skills and resource voids. We are also fully committed to address all opportunities in the defence sector that may come our way given the currently evolving geo-political situation at our borders. This is in line with our DNA of nation building and contributing to strategic sectors of our economy. A concerned efforts are being made to undertake calculated diversification of our businesses in the current economic context and thereby de-risk the organization performance. It is with this in mind that we are actively pursuing opportunities in the fabrication of equipment for the Process Industry and Railways and the extension of our offerings in the Cement business to other sectors like Steel, Power, Fertilizers, etc. We continue to maintain a fine balance between long gestation projects and engineering products and, therefore, will continue to keep up the focus on businesses like Foundry, Gearboxes and Instrumentation. The fact that WIL is so diversified actually gives us great strength and hope in these uncertain times.

I would like to place on record my sincere thanks to WIL's shareholders, our bankers, employees at all levels and the media for your continued support and expect similar confidence in the years to come.

Thank You,

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

**Chakor L. Doshi**

**Chairman**

## NOTICE

Notice is hereby given that the 111<sup>th</sup> Annual General Meeting of the members of Walchandnagar Industries Limited will be held on Friday, August 14, 2020 at 04.00 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company as at March 31, 2020 together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Chakor L. Doshi (DIN: 00210949) Director, who retires by rotation at 111<sup>th</sup> Annual General Meeting and, being eligible, offers himself for re-appointment.

### Special Business:

3. To appoint Mr. Chirag C. Doshi (DIN: 00181291), as Managing Director & CEO 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** subject to the approval of the Central Government, if required and pursuant to the provisions of Sections 196, 197 and 203 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) and the provisions of Articles of Association of the company, the consent of the Shareholder of the Company be and is hereby accorded for the appointment of Mr. Chirag C. Doshi as Managing Director & Chief Executive Officer of the Company w.e.f. 01.04.2020, not liable to retire by rotation, for a period of three years on the terms and conditions including remuneration as set out herein below and also specified in the agreement to be entered between the Company and Mr. Chirag C. Doshi.

### REMUNERATION:

#### SALARY:

₹ 5,00,000/- per month.

#### SPECIAL ALLOWANCE:

Special Allowance of ₹ 2,10,000/ per month.

#### HOUSING/RENT FREE ACCOMMODATION:

House Rent Allowance/Rent Free Accommodation of ₹ 2,00,000/ 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.'

### MEDICAL ALLOWANCE/REIMBURSEMENT:

Reimbursement of Hospitalization and other medical 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.

### PERQUISITES:

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

### CONTRIBUTION TO PROVIDENT FUND:

Contribution to Provident Fund shall be as prescribed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and to the extent that this is not taxable under the Income-Tax Act, 1961.

### GRATUITY:

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

### LEAVE:

Leave, Leave accumulation and encashment (on Retirement) as per Rules of the Company.

### FREE USE OF CAR:

The Company shall provide one car with driver or reimbursement of the Driver's Salary, for the Company's business which will not be considered as a perquisite.

### 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.

### MINIMUM REMUNERATION:

The remuneration specified above shall continue to be paid to Mr. Chirag C. Doshi as and by way of Minimum Remuneration as per the provisions of Section III of Part II of Schedule V of the Companies Act, 2013 in case of loss or inadequacy of profit during the relevant period of tenure of his office.

**RESOLVED FURTHER THAT** Mr. Chirag C. Doshi shall not be subject to retirement by rotation during his tenure as Managing Director & CEO in terms of Article 148 of Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized 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 be according to 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 of the Company

be and is hereby authorised to do all such acts, deeds and things as may be required including seeking approval of the Central Government, if required, to give effect to the above Resolution."

4. To appoint Mrs. Rupal Vora (DIN: 07096253), as a Non – Executive 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** Mrs. Rupal Vora (DIN: 07096253), who was appointed as an Additional Non-Executive Independent Director of the Company with effect from August 07, 2019 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Article 89 (1) of the Articles of Association and pursuant to provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mrs. Rupal Vora (DIN :07096253), who has submitted a declaration that she meets the criteria for independence as provided under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and being eligible offers herself for appointment and 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 of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company for a term of 5 years (including the period of one year as additional Independent Director) w.e.f. the conclusion of 111<sup>th</sup> Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2024, not liable to retire by rotation.

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

5. To avail the Professional Services of Mr. G. K. Pillai as Advisor / Consultant for a period of One Year w.e.f. April 01, 2020 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 188, 197 and all other applicable provisions if any, of the Companies Act, 2013 and pursuant to the Rules notified there under, consent of the Members of the Company be and is hereby accorded to appoint Mr. G. K. Pillai, as Advisor / Consultant to the Company, for a period of one year w.e.f.

April 01, 2020 on payment of Consultancy Fee of ₹ 8,00,000/- per month for initial three months on full time basis and for next nine months on part time basis on payment of Consultancy Fee of ₹ 2,50,000/- per month plus expenses on traveling, lodging and boarding & reimbursement of incidental and out of pocket expenses on actual basis and reimbursement of GST, if applicable.

**RESOLVED FURTHER THAT** Mr. Chakor L. Doshi, Chairman of the Board be and is hereby authorized to finalize the detailed terms & conditions of Mr. G. K. Pillai's appointment as Advisor / Consultant to the Company including remuneration.

**RESOLVED FURTHER THAT** Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary be and is hereby authorized to file the necessary Form, if any, with Ministry of Corporate Affairs.

6. To consider and approve 'WIL - Employees Stock Option Plan 2020' and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 42, 62 (1) (b) of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the SEBI SBEB Regulations"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations"), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the 'WIL- Employees Stock Option Plan 2020' ("ESOP-2020") the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and Independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "Employees") selected on the basis of criteria decided by the Board under the ESOP-2020, such number of stock options convertible into Equity Shares of the Company ("Options"), in

one or more tranches, not exceeding 10,00,000 (Ten Lakhs) equity shares of face value of ₹ 2/- each (Rupees Two), at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP-2020, and all provisions of applicable laws.

**RESOLVED FURTHER THAT** the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP-2020 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP-2020 and the exercise price of Options granted under the ESOP-2020 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 2/- per equity share bears to their revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP-2020.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOP-2020, determine the detailed terms and conditions of the aforementioned ESOP-2020 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at price, at such time and on such terms and conditions as set out in the ESOP-2020 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5 (1) of the SEBI SBEB Regulations for the purposes of administration of ESOP-2020.

**RESOLVED FURTHER THAT** the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2020 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP-2020 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

**RESOLVED FURTHER THAT** the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP-2020 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI SBEB Regulations, the SEBI LODR Regulations and other applicable laws and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP-2020 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/ Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

7. 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 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) the Company hereby ratifies and confirms the remuneration of ₹ 3,00,000 (Rupees Three Lakhs Only) per annum plus GST as applicable and reimbursement of actual travel and out-of-pocket expenses to 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 2021.



**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: June 26, 2020

CIN: L74999MH1908PLC000291

Tel: 022 - 23612195 Fax: 022- 23634527

E-mail: investors@walchand.com

Website: www.walchand.com

**Notes:**

- a) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- b) A Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business under Item No. 3, 4, 5, 6 and 7 mentioned above is annexed hereto.
- c) A statement giving additional details of Directors seeking appointment /re-appointment as set out in Item no. 2, 3 and 4 is annexed herewith as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) Generally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- e) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body

Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to vndeodhar@gmail.com with a copy marked to evoting@nsdl.co.in.

- f) Members holding shares in Dematerialized Form are requested to intimate immediately any change in their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to M/s. Link Intime India Private Limited (LIPL) in case the shares are held by them in physical form.
- g) As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited ("LIPL") for assistance in this regard.
- h) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- i) Members who have not encashed their dividend warrants for the financial years ended September 30, 2013 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 124 of the Companies Act, 2013. The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the company within the stipulated timeline. The members, whose unclaimed dividends/ shares have been transferred to the Investors Education and Protection Fund (IEPF), may claim the same by making an online application to the IEPF authority in Form No. IEPF - 5 available on www.iepf.gov.in.
- 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 August 06, 2019 (date of last Annual General Meeting) on the website of the Company (www.walchand.com).
- k) 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 dematerialized 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.

- l) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.walchand.com](http://www.walchand.com), websites of the stock exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.
- m) The Company has engaged the services of National Securities Depository Limited (NSDL) as the authorized agency for conducting of the e-AGM and providing e-voting facility.
- n) The attendance of the Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- o) Members holding shares in physical form are requested to register / update their postal address, email address, telephone / mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as name of the Bank and branch details, Bank account number, MICR Code, IFSC code, etc. with the Registrar, Link Intime India Private Ltd. / the Company, duly quoting their Folio number 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.
- p) The letter and E-communication Registration Form is available on the website of the Company viz. [www.walchand.com](http://www.walchand.com).
- q) 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](http://www.walchand.com) under the section 'Investor Information'), if not sent earlier.
- r) 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.
- s) Relevant documents referred to in the accompanying Notice calling the AGM are available for inspection through electronic mode up to the date of the AGM. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, upon

request will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to [investors@walchand.com](mailto:investors@walchand.com).

- t) Members desiring any information with regard to the annual accounts of the Company or any other matter to be placed at the AGM are requested to write to the Management at least 10 (Ten) days before the meeting i.e. on or before August 04, 2020 through email on [investors@walchand.com](mailto:investors@walchand.com). The same will be replied by the Company suitably.
- u) Mr. Chakor L. Doshi (DIN: 00210949) Director of the Company retire by rotation at the 111<sup>th</sup> Annual General Meeting and being eligible offer himself for re-appointment.

The brief resume, nature of his expertise in specific functional areas, disclosure of relationships between Directors inter-se, 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**.

- v) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- w) Instructions for attending the e-AGM and e-voting are as follows:

#### **A. Voting through electronic means:**

- (i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the Business to be transacted at the AGM. The facility of casting votes by a member using remote e-voting system as well voting on the date of the AGM will be provided by NSDL. The instructions for e-voting are given herein below.
- (ii) The remote e-voting period commences on Tuesday, August 11, 2020 at 9.00 A.M. and ends on Thursday, August 13, 2020 at 5.00 P.M. During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, August 07, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- (iii) The Board of Directors has appointed Mr. V. N. Deodhar of M/s. V. N. Deodhar & Co., Practicing Company Secretaries (Membership no. FCS 1880) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- (iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- (v) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (vi) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- (vii) The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote

and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
2. In case of any queries relating to e-voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Mr. Amit Vishal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
3. In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in), Tel: 91 22 2499 4545/ 1800-222-990.

**Process for registration of email id for obtaining Annual Report and user id/ password for e-voting and updation of bank account mandate for the receipt of Dividend:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investors@walchand.com](mailto:investors@walchand.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors@walchand.com](mailto:investors@walchand.com).

3. Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

**INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting log in credentials and selecting the EVEN for Company's AGM.

Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through

Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
6. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/ 022- 24994360.
7. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [investors@walchand.com](mailto:investors@walchand.com) from August 08, 2020 from 09.00 a.m. to August 10, 2020 till 5.00 p.m. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Other Instructions:**

- (i) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- (ii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.walchand.com](http://www.walchand.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

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

**ITEM NO. 3**

Mr. Chirag C. Doshi has been working with the Company since 1997 in various capacities and the members of the Company in the 99<sup>th</sup> Annual General Meeting held on January 30, 2008 approved the appointment of Mr. Chirag C. Doshi as Managing Director of the Company for a period of 5 years w.e.f. from November 25, 2007 to November 24, 2012. His appointment as Managing Director for a period of 5 years w.e.f. November 25, 2012 was approved by the Members of the Company at 104<sup>th</sup> Annual General Meeting held on January 31, 2013 and his re-appointment as Managing Director was approved at 108<sup>th</sup> Annual General Meeting held on August 09, 2017 for a further period of 3 years i.e. upto March 31, 2020.

Mr. Chirag C. Doshi has made an excellent contribution for the growth of the company during his tenure as President and subsequently Managing Director of the Company and especially in his current term in transformation of the Company from EPC Business to DNA Business. The Board of Directors in their meeting held on February 07, 2020 have appointed Mr. Chirag C. Doshi as Managing Director & CEO and recommends the resolution as set out in Item No. 3 of the Notice for appointment of Mr. Chirag C. Doshi as Managing Director & CEO of the Company w.e.f. April 01, 2020 as recommended by Nomination & Remuneration Committee on the terms and conditions as mentioned in the resolution for approval of the shareholders of the Company.

Except Mr. Chakor L. Doshi and Mr. Chirag C. Doshi, None of the other Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3.

A brief profile of Mr. Chirag C. Doshi to be appointed including nature of his expertise and other disclosure as required under Listing Regulations is set out in this Notice as **Annexure-A'**.

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 this Notice.

**ITEM NO. 4**

On the recommendation of Nomination and Remuneration Committee, Board of Directors of the Company, pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, had appointed Mrs. Rupal Vora (DIN: 07096253) as an Additional Non - Executive Independent Director of the Company w.e.f. August 07, 2019. Pursuant to Section 161 (1) of the Act, Mrs. Rupal Vora holds office upto the date of this Annual General Meeting (AGM).

Further the Board of Directors in their meeting held on June 26, 2020 on the recommendation of Nomination and Remuneration Committee had approved the proposal for appointment of Mrs. Rupal Vora (DIN: 07096253), as an Non- Executive Independent Director of the Company, not liable to retire by rotation for a period of 5 (five) years (including the period of one year as Additional Non-Executive Independent Director) w.e.f. the conclusion of 111<sup>th</sup>

Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2024, subject to the approval of the Shareholders in the AGM. Mrs. Rupal Vora is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given her consent to act as a Director.

Further, the Company has received from Mrs. Rupal Vora a declaration to the effect that she meets criteria of independence as provided in Section 149 (6) of the said Act and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re - enactment thereof and any rules made thereunder, for the time being in force) and she has not been debarred from holding office of Director by virtue of any SEBI Order or any other such authority. Further, in terms of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof and any rules made thereunder, for the time being in force), the Board of Directors has reviewed the declaration made by Mrs. Rupal Vora, Independent Director in respect of meeting the criteria of independence and the Board is of opinion that she fulfills the relevant conditions specified in the said Act and the Rules made thereunder and is independent of the management.

As required under Section 160 of the Act, the Company has received a Notice from a member proposing the candidature of Mrs. Rupal Vora for office of the Independent Director of the Company.

Therefore, the resolution proposed at Item No. 4 of the accompanying Notice, seek the approval of the members for appointment of Mrs. Rupal Vora (DIN: 07096253), as an Non-Executive Independent Director of the Company, not liable to retire by rotation for a period of 5 (five) years (including the period of one year as Additional Non-Executive Independent Director) w.e.f. the conclusion of 111<sup>th</sup> Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2024.

Except Mrs. Rupal Vora, being appointee or her relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4.

A brief profile of Mrs. Rupal Vora to be appointed including nature of her expertise and other disclosure as required under Listing Regulations is set out in this Notice as **Annexure-A'**.

The Board re-commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members of the company.

**ITEM NO. 5**

The tenure of Mr. G. K. Pillai as Managing Director and CEO of the Company expired on March 31, 2020. The Board of Directors in its meeting held on February 07, 2020, approved his continuation as Non-Executive Director of the Company post March 31, 2020.

As per the provisions of Section 197 of the Companies Act, 2013, the Nomination and Remuneration Committee has expressed their opinion that Mr. G. K. Pillai possesses the necessary qualification to render professional consultancy services. As per the provisions

of Section 188 of the Companies Act, 2013 and as per Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of the Board of Directors of the Company approved the Consultancy Contract with Mr. G. K. Pillai at the Professional fees of ₹ 8,00,000/- per month for initial 3 months period while he will be associated on full time basis and for the next 9 months he will be available for an Average six days in a month, on payment of Consultancy Fee of ₹ 2,50,000/- per month plus expenses on travelling, lodging and boarding & reimbursement of incidental and out of pocket expenses on actual basis and reimbursement of GST.

Therefore, as per the recommendation and approval of Nomination and Remuneration Committee and Audit Committee, the Board of Directors approved the proposal, subject to the approval of the Shareholders, for availing the professional services of Mr. G. K. Pillai as Advisor/ Consultant for a period of One year w.e.f. April 01, 2020.

The details in respect of the proposed contract, as required under the Rules are as follows:

#### **Name of the Related Party**

Mr. G. K. Pillai

#### **Name of the Director or Key Managerial Personnel who is related, if any**

None

#### **Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement**

Contract to render professional consultancy services; ₹ 8,00,000/- per month for initial 3 months period while he will be associated on full time basis and for the next 9 months he will be available for an Average six days in a month, on payment of Consultancy Fee of ₹ 2,50,000/- per month plus expenses on travelling, lodging and boarding & reimbursement of incidental and out of pocket expenses on actual basis and reimbursement of GST, if applicable.

#### **Any other information relevant or important for the members to take a decision on the proposed resolution**

Mr. G. K. Pillai, is an Alumnus of BITS Pilani in Engineering and have decades of experience in Heavy Engineering organization both in Public sector as well as Private sector including with Walchandnagar Industries Limited of last 8 years.

The Nomination & Remuneration Committee has recommended, and the Audit Committee and the Board of Directors have approved the consultancy contract with Mr. G. K. Pillai, subject to approval of Members.

Hence, the Board of Directors recommends passing of the resolution mentioned at Item No. 5 in the notice.

None of the Directors, key managerial personnel except Mr. G. K. Pillai is deemed to be concerned or interested, financially or otherwise in the proposed special resolution.

#### **ITEM NO. 6**

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available

talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees for their continuous hard work, dedication and support.

Keeping in line with the above, "WIL- Employees Stock Option Plan 2020" ('the Scheme') has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on June 26, 2020, subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company's Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP-2020;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

Major details of the Scheme are as given below:-

**a) Brief Description of the Scheme is given as under:**

"WIL - Employees Stock Option Plan 2020" ("the Scheme") has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on June 26, 2020, subject to the approval of the members.

**b) The total number of options to be granted:**

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 10,00,000 (Ten Lakhs) equity shares of ₹ 2/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

An employee may surrender his/her vested /unvested options at any time during / post his employment with the company. Any employee willing to surrender his/her options shall communicate the same to the Board or Committee in writing.

Vested options lapsed due to non-exercise, surrender and/ or unvested options that gets cancelled due to resignation of Option grantees, surrendered or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled / surrendered options as per the provisions of ESOP-2020.

**c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme:**

All permanent employees working in India or out of India and Directors (whether Managing/Whole time Director or not) of Company (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

**d) Terms of the scheme:**

- (1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.
- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.
- (4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

**e) Transferability of Employee Stock Options:**

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to the Company's Holding Company and / or to the Company's subsidiary company prior to vesting



or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

**f) Requirements of vesting and period of vesting:**

Vesting of options may commence after a period of not less than one year from the date of individual grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2020.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

<b>Sr. No.</b>	<b>Separations</b>	<b>Vested Options</b>	<b>Unvested Options</b>
1	<b>Resignation</b>	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	<b>Termination (With cause like fraud, misconduct etc.)</b>	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	<b>Termination (Without cause)</b>	All Vested Options which were not allotted at the time of such termination may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
4	<b>Retirement or early Retirement approved by Company</b>	All Vested Options as on date of retirement may be exercised by the Option Grantee within the period as permitted by NRC / Compensation Committee at the time of such retirement or early retirement.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the period as permitted by NRC / Compensation Committee at the time of such retirement or early retirement.
5	<b>Death</b>	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Death.
6	<b>Permanent Disability</b>	All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	<b>Abandonment*</b>	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	<b>Any other reason not specified above</b>	The NRC / Compensation Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

\*The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

**g) Maximum period within which the options shall be vested:**

The maximum vesting period may extend up to 7(Seven) years from the date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

**h) Exercise price or pricing formula:**

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be as may be decided by the Committee as is allowed under the SBEB Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of employees for options granted on same / different dates.

**i) Exercise period and process of exercise:**

The Exercise period shall not be more than 10 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.

**j) Appraisal Process for determining the eligibility of Employees to the Scheme:**

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee.

**k) Maximum number of options to be issued per Employee and in the aggregate:**

The number of Options that may be granted to any specific employee under ESOP-2020 shall not exceed the number of

Shares equivalent to 1% of the Issued Share Capital of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

**l) Maximum quantum of benefits to be provided per employee under a Scheme:**

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

**m) Certificate from auditors:**

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

**n) Whether the scheme is to be implemented and administered directly by the Company or through a trust:**

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

**o) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust:**

The Scheme will involve only new issue of shares by the Company.

**p) Disclosure and accounting policies:**

The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB) Regulations or any other Applicable Laws as in force. Further the Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI (SBEB) Regulations as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

**q) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.:**

Not Applicable

**r) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s):**

Not Applicable

**s) Method of Valuation of options:**

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements for accounting of the Stock options as are applicable to the Company for the same.

Since the company opts for expensing of share based employee benefits using the fair value method, the following statement will not be applicable viz.

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

**t) Rights of the option holder:**

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

**u) Consequence of failure to exercise option:**

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

- (a) may be forfeited by the company if the option is not exercised by the employee within the exercise period; or
- (b) may be refunded to the employee if the options are not vested due to non-fulfillment of conditions relating to vesting of option as per the Scheme.

**v) Other terms:**

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2020, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI SBEB Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 6, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in Item No. 6 of the Notice for adoption by the Shareholders as Special Resolution/s.

**ITEM NO. 7**

The Board of the Directors of the Company, on the recommendation 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 2021, at a remuneration of ₹ 3,00,000/- (Rupees Three Lakhs Only) per annum plus GST 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.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item no. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the Audit of the cost records of the Company for the year ended March 31, 2021.

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.

**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: June 26, 2020

CIN : L74999MH1908PLC000291  
Tel : 022 -23612195 Fax : 022- 23634527  
E-mail : investors@walchand.com  
Website : www.walchand.com

## ANNEXURE 'A' TO NOTICE

### DETAILS OF THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT IN THE ENSUING ANNUAL GENERAL MEETING

Name of Director	Mr. Chakor L. Doshi	Mrs. Rupal Vora	Mr. Chirag C. Doshi
Date of Birth	15.09.1948	24.06.1963	22.04.1974
Date of Appointment	15.05.1979	07.08.2019	25.11.2007 Current Term-01-04-2020
Expertise in specific functional areas	Operations and Management of Large Industries-Industrialist	Direct Tax Practice. Accounts/Finance.	Mr. Chirag C. Doshi has extensively worked on following and risen to the position of Managing Director & CEO of the Company: <ul style="list-style-type: none"> <li>1) Development of business strategy and execution of growth initiatives;</li> <li>2) Corporate Finance and strategic fund raising;</li> <li>3) Has been successful in turnaround of loss making family business;</li> <li>4) Exploring and studying new businesses for organic and inorganic growth including next generation technologies.</li> </ul>
Qualifications	B.Sc (Mathematics Physics), Bombay University and MS in Operations Research & Industrial Engineering, University of Michigan (USA)	B.Com LLB	B. A. (Economics) from University of Michigan, USA; and MBA from the world-renowned 'INSEAD INSTITUTE', Paris.
Shareholding in the Company (including HUF)	55930	NIL	14,000
Directorship held in other public companies. (excluding foreign companies)	Bombay Cycle & Motor Agency Ltd.	Bombay Cycle & Motor Agency Ltd.	Bombay Cycle & Motor Agency Ltd.
Membership / Chairmanship of Committees of other public companies (includes only Audit Committee & Stakeholders Relationship Committee)	NIL	<b>Audit Committee – Member</b> Bombay Cycle and Motor Agency Limited <b>Stakeholders Relationship Committee – Chairperson</b> Bombay Cycle and Motor Agency Limited	<b>Audit Committee – Member</b> Bombay Cycle and Motor Agency Limited
Disclosure of Relationships between Director inter-se	Mr. Chirag C. Doshi, Managing Director & CEO is son of Mr. Chakor L. Doshi, Chairman. He is not related to any other Director of the Company.	NIL	Mr. Chakor L. Doshi, Chairman is the father of Mr. Chirag C. Doshi, Managing Director & CEO. He is not related to any other Director of the Company.

## ANNEXURE 'B' TO 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 NO. 3 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, Cement/ Sugar equipment, Gearboxes and Centrifugal.

##### (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 March 31, 2020 (Audited)	For the Year ended March 31, 2019 (Audited)	For the Year ended March 31, 2018 (Audited)
Total Income	31,822	38,897	40,730
Profit / (Loss) before tax	(6,546)	(214)	(2,582)
Profit / (Loss) after tax	(6,546)	(214)	(2,582)

##### (5) Foreign Investments or Collaborations, if any:

Foreign Investment: NIL

Foreign Collaborations (During last 5 Years reckoned from the beginning of the F.Y.): N.A.

#### II. INFORMATION ABOUT THE APPOINTEE:

##### A) Mr. Chirag C. Doshi

##### (1) Background details:

Name of Director: Mr. Chirag C. Doshi

Age: 46 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 Managing Director of the Company and now currently as Managing Director and CEO of the Company. He has been providing support in strategic long term fund raising, strategic cash flow Management, Leadership development and succession planning besides looking after the day to day operations of the company. He is also the Chairman and Managing Director 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 108<sup>th</sup> Annual General Meeting held on August 09, 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 March 31, 2020	For the Financial year ended March 31, 2019
Salary	75.00	67.80
Perquisites	10.88	35.13
Contribution to P.F. and Superannuation	30.55	12.96
Gratuity	2.31	2.31
Commission	-	-
<b>Total</b>	<b>118.74</b>	<b>118.20</b>

##### (3) Recognition or awards: NIL

##### (4) Job profile and his suitability:

Mr. Chirag C. Doshi as the Managing Director & CEO is responsible for day to day operations and management of the Company.

The Nomination & Remuneration Committee and the Board is of the opinion that Mr. Chirag C. Doshi 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, 2020 to March 31, 2023 as mentioned in the resolution no. 3.

##### (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. 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.

**III. OTHER INFORMATION:**

**1. Reasons of loss or inadequate profits:**

WIL is an Indian company with diversified business portfolio in High-tech Manufacturing of Critical equipment in the field of Aerospace, Nuclear, Defence, Gears and other manufacturing equipments.

The revenue for F.Y. 19 – 20 stands at INR 318 Crore and the net loss is to the tune of INR 65 Crore. Some of the major reasons for the loss are the ongoing outflows due to the execution of legacy projects (in the EPC domain), higher interest cost and overall lower turnover in relation to fixed costs.

However, it has to be noted that there has not been any change in the basic fundamental of the business. In fact the fundamentals have improved owing to a deliberate strategic shift towards manufacturing businesses as compared to EPC. Both in terms of revenue and order book, the share of manufacturing is closed to 90% virtually reversing the scenario as it existed a few years ago.

**2. Steps taken or proposed to be taken for improvements:**

The following steps are taken or are proposed for improvements:

- Ongoing focus on strategic manufacturing businesses (Defence, Missiles, Aerospace, and Nuclear) – favored both from a core competence and profitability perspective.
- Further focus on product businesses – Gear and Centrifugals.
- Ongoing thrust on cost-control (rationalization of manpower cost as well as administrative and consumables costs in the right areas without compromising on quality and delivery).
- Leveraging the various policy level initiatives taken

by the government (“Make in India”, “Indigenization in defence”, etc) to grow business and develop a platform for the future.

- Further strengthening of the execution of current order book of strategic manufacturing orders.

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

While it is difficult to fully quantify such impacts, we are hopeful that the trend in terms of profitability should be positive going ahead given the fact that an increasing share of revenue now comes from manufacturing (In F.Y. 19-20, this share was closed to 90%) and the residual order book also comprises of 63% of manufacturing orders in terms of value and other initiatives taken by the company for cost rationalization, productivity improvements etc.

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. 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.

For **WALCHANDNAGAR INDUSTRIES LTD**

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

**Registered Office:**

3, Walchand Terraces  
Tardeo Road, Mumbai 400 034

Date: June 26, 2020

CIN : L74999MH1908PLC000291  
Tel : 022 –23612195 Fax : 022- 23634527  
E-mail : investors@walchand.com  
Website : www.walchand.com

## DIRECTORS' REPORT

To:  
**The Members of  
 Walchandnagar Industries Limited**

Your directors take pleasure in presenting the 111<sup>th</sup> Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31, 2020.

### 1. Financial Results:

The Company's financial performance, for the Year ended March 31, 2020 is summarized below:

	Year ended 31.03.2020	Year ended 31.03.2019
	₹ in Lakhs	₹ in Lakhs
	(IND AS)	(IND AS)
<b>Income:</b>	31,822	38,897
Profit/(Loss) before Depreciation, Interest, Exceptional Item and Exchange currency fluctuations	4,781	9,705
Less: Interest	8,652	8,051
Depreciation	2,300	2,703
Exceptional Item	979	-
Profit/(Loss) before Exchange Currency –Fluctuations	(7,150)	(1,049)
Less: Exchange Currency Fluctuation Loss /(Gain)	(604)	(835)
Profit/(Loss) before Tax	(6,546)	(214)
Less: Tax (Net)	-	-
Profit/(Loss) after Tax	<b>(6,546)</b>	<b>(214)</b>

### 2. COVID-19:

In the last month of Financial Year 2020, spread of COVID-19 has severely impacted the economy around the globe. In our country, businesses are being forced to close the operations for long periods of time due to lockdown declared by Govt. of India. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown. For the Company, the focus shifted to ensure the health and well-being of all employees. Therefore, work from home directives was issued to all the staff members across all offices and manufacturing locations wherever possible.

The Government and Reserve Bank of India have also responded with monetary and fiscal interventions to stabilize economic conditions.

### 3. Financial Performance & Highlights:

During the year under review, the revenue for the Financial Year 2019-20 was ₹ 31,822 lakhs as against the previous financial year 2018-19 of ₹ 38,897 lakhs.

The consequences of the COVID-19 outbreak have adversely affected the supply chain, Production and logistics during lockdown period and therefore, Company's operating results have been negatively impacted. The Company had sales deferral of ₹ 1,910 lakhs and operating losses of ₹ 570 lakhs due to COVID-19 quantified till March 31, 2020. The adverse impact of COVID-19 is continuing in the first quarter of the current FY 2020-21.

### 4. Current Period:

The orders on hand as on March 31, 2020 were at ₹ 888 crores as compared to ₹ 822 crores as on March 31, 2019.

### 5. Exports and Overseas Projects:

During the year under review, the Company achieved an export turnover of ₹ 13.04 crores as against ₹ 21 Crores, in the previous year. The export orders on hand as on March 31, 2020 are at ₹ 331.36 crores.

### 6. Dividend and Reserves:

During the Year under review your Company has suffered a (loss) after tax of ₹ (6,546) lakhs. Hence, no dividend is recommended for the Year ending March 31, 2020 by the Board.

During the Year under review, the Company has suffered a loss hence not recommended any amount to be transferred to the General Reserve of the Company.

### 7. Subsidiary, Joint Ventures and Associate Companies:

As on March 31, 2020, your Company do not have any Subsidiary, Joint Venture or Associate Company. During the year under review, none of the Companies have become or ceased to be Company's Subsidiary, Joint Venture and Associate Company.

### 8. Extract Of Annual Return:

The extract of the Annual Return in Form MGT-9 in accordance with Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is set out herewith as **Annexure 'A'** to this report. The same is also placed on the website of the Company [www.walchand.com](http://www.walchand.com) and the web - link for the same is <https://walchand.com/wp-content/uploads/2020/07/WIL-MGT-9-2020.pdf>

### 9. Management Discussion & Analysis:

Management Discussion and Analysis Report for the year under review as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) is enclosed by way of **Annexure 'B'** to this report.

### 10. Finance & Accounts:

#### (i) Fixed Deposits:

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

**(ii) Income Tax Assessments:**

Income tax assessment up to the Assessment Year 2017-18 has been completed in F.Y. 2019-20. Appeal proceedings before Commissioner of Income Tax (Appeals) for Assessment Year 2014-15 to Assessment Year 2016-17 were in progress during the F.Y. 2019-20.

**11. Human Resources Development:**

During the Financial Year 2019-20, as part of process improvement the HR Department upgraded various forms and formats to match with the current business requirements. Also as part of Health & Wellness, various awareness programmes were completed for the employees like CPR (Cardiopulmonary Resuscitation) session and Stress Management & Naturopathy session.

The true focus of Human Resources Management is motivating, bringing in Best HR Practices & retaining the best talent in the Industry.

**12. Directors' Responsibility Statement:**

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013, the Directors hereby confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any
- ii) the Directors have selected such accounting policies and 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 the Company at the end of March 31, 2020 and of the loss for the Year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company with its inherent weaknesses, work performed by the Internal, Statutory and Secretarial Auditors including audit of Internal Financial Controls over financial reporting

by Internal Auditors and the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the Year ended on March 31, 2020.

**13. 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 the Securities and Exchange Board of India (SEBI). Your Company has obtained a certification from Jayesh Sanghrajka & Co. LLP, Chartered Accountants, Statutory Auditors, on compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Schedule V of the Listing Regulation. 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 'C'** to this Report.

**14. Corporate Social Responsibility:**

The 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 and Health related activities in order to fulfill its corporate social commitments.

**Health Activities:**

To create health awareness in the township and nearby villages, the Company continued to organize various health schemes during the year. On June 07, 2019, a Free Dental Check-up Camp at Lalchand Hirachand Medical Centre, Walchandnagar was organized wherein 44 patients were examined. Further, the Company organized a Free Medical Check-up Camp on June 27, 2019, at Lalchand Hirachand Medical Centre, Walchandnagar. In the said camp information on Heart Attack, Diabetes and free ECG and check-up was done. Further, to create the blood donation awareness in the township and nearby villages, a Blood Donation Camp was also arranged on the same day wherein 40 donors donated their blood. This year Company also organized an Annual Medical Health Check-up from December 24, 2019 to December 26, 2019 at Walchandnagar which includes non-Hazardous tests for 470 Employees and Hazardous tests for 124 employees/ workmen working on hazardous process and non-hazardous process with the help of Certified Surgeon Dr. R. N. Patil, Suraj Hospital, Mumbai.



**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 3211 children. During the academic year 2019-20, in Shree Wardhman Vidyalaya & Jr. College total 1930 students were studying out of which 905 were Girls and 1025 were Boys. Whereas, in Bharat Children's Academy, Walchandnagar total 1281 students were studying out of which 765 were boys and 516 were girls.

**Environment:**

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

During the year, on the occasion of 'World Environment Day' on June 05, 2019, plantation of 100 Coconut Trees was done. It is our plan to plant 1000 Trees in Walchandnagar.

The CSR Policy is available on the website of the Company and the link for the same is <https://walchand.com/wp-content/uploads/2020/04/CSR-Policy.pdf>

**15. Energy, Technology & Foreign Exchange:**

Pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules 2014, information on conservation of energy, technology absorption, foreign exchange earnings and out-go is given in the **Annexure 'D'** to this Report.

**16. 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 made by all the employees of the Company.

**17. Directors and Key Managerial Personnel:****1) Independent Directors:****a) Declaration by Independent Directors:**

Your Board has reviewed the declarations made by the 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 and Regulation 16 (1) of Listing Regulations (including any statutory modification(s) or re – enactment(s) thereof for the time being in force).

**b) Completion of Tenure of Independent Directors :**

Mr. Arun R. Gandhi and Mrs. Bhavna Doshi had ceased to be the Directors of the Company w.e.f. August 06, 2019 upon completion of their term as Independent

Directors.

The Board places on record their appreciation for the assistance and guidance provided by them during their tenure as Director of the Company.

**c) Appointment of Independent Director:**

As per the provisions of the Companies Act, 2013, Board of Directors have appointed Mrs. Rupal Vora as an Additional Non – Executive Independent Director of the Company w.e.f. August 07, 2019 to hold the office till the conclusion of forthcoming Annual General Meeting (AGM). Further, upon recommendation of Nomination and Remuneration Committee and as approved by the Board of Directors in their Meeting held on June 26, 2020, Mrs. Rupal Vora (DIN: 07096253) was appointed as an Independent Director of the Company for a term of 5 years (including the period of one year as additional Independent Director) w.e.f. the conclusion of 111<sup>th</sup> Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2024.

**2) Appointment:**

During the year, the Board of Directors in their Meeting held on February 07, 2020, accepted the request of Mr. G. K. Pillai for not renewing his term of appointment with the Company and would like to relinquish his position of Managing Director & Chief Executive Officer of the Company w.e.f. March 31, 2020 and appointed Mr. Chirag C. Doshi as Managing Director & CEO of the Company w.e.f. April 01, 2020. The Board places on record its appreciation for his invaluable contribution and guidance. However, Mr. G. K. Pillai will continue as a Director of the Company, liable to retire by rotation w.e.f. April 01, 2020.

**3) Retirement by rotation:**

Pursuant to Article 86 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 111<sup>th</sup> Annual General Meeting and being eligible, have offered himself for re-appointment.

Brief profile of the proposed appointees together with other disclosures in terms of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are mentioned in the Notice which is part of this Annual Report.

**4) Key Managerial Personnel:**

During the year under review the term of Mr. G. S. Agrawal, Company Secretary of the Company was extended up to December 2022.

Further, on completion of contractual terms of Mr. G. K. Pillai as Managing Director & CEO on March 31, 2020, Mr. Chirag C. Doshi was appointed as Managing Director & CEO of the Company for a period of 3 years w.e.f. April 01, 2020 in the Board meeting held on February 07, 2020.

#### 18. Number of Meetings of the Board:

The Board met five (5) times during the year from April 01, 2019 to March 31, 2020 viz. on May 16, 2019; August 06, 2019; September 26, 2019; November 12, 2019 and February 07, 2020.

#### 19. Committees of the Board:

The Company has several Committees which have been constituted in compliance with the requirements of the relevant provisions of applicable laws and statutes.

- **Audit Committee** which comprises of two Independent Directors i.e. Mr. Dilip J. Thakkar (Chairman of Committee) and Dr. Anil Kakodkar (Member), and Chairman, Mr. Chakor L. Doshi (Member).
- **Stakeholders Relationship Committee** which comprises of two Independent Directors i.e. Dr. Anil Kakodkar (Chairman of Committee) and Mr. Dilip J. Thakkar (Member) and Chairman, Mr. Chakor L. Doshi (Member).
- **Nomination & Remuneration Committee** which comprises of two Independent Directors i.e. Dr. Anil Kakodkar (Chairman of Committee), Mr. Dilip J. Thakkar (Member) and Chairman, Mr. Chakor L. Doshi (Member).
- **Corporate Social Responsibility Committee** which comprises of an Independent Director, Mrs. Rupal Vora (Chairperson of Committee), Managing Director & C.E.O., Mr. Chirag C. Doshi (Member); and Director, Mr. G. K. Pillai (Member) w.e.f. 01.04.2020.

#### 20. Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a structured questionnaire was prepared. The Performance Evaluation of the Independent Directors was completed. Independent Directors Meeting considered the performance of Non-Independent Directors and the Committees and Board as whole, reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Nomination & Remuneration Committee has determined a process for evaluating the performance of every Director, Committees of the Board and the Board on an annual basis.

#### 21. Vigil Mechanism:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy to report genuine concerns or grievances. Protected disclosures can be made by a whistle blower through an e-mail, or telephone line or a letter to the Chairman of the Audit Committee or the Company Secretary of the Company or any member of the Audit Committee. The Policy on vigil mechanism / whistle blower policy may be accessed on the Company's website at the link <https://www.walchand.com/wp-content/uploads/2019/03/Whistle-Blower-Policy-Effective-From-April-1-2019-.pdf>

#### 22. Particulars of Employees Remuneration:

- (A) The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this Report as **Annexure 'E'**.
- (B) The information as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon the request by any member of the Company. In terms of Section 136 (1) of the Companies Act, 2013, the Report and the Accounts are being sent to the members excluding the said Annexure. Any member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

#### 23. Particulars of Contracts and Arrangements with Related Parties:

All contracts / arrangements / transactions entered into / by the Company during the Financial Year under review with Related parties were on an arm's length basis and in the Ordinary Course of Business.

All Related Party Transactions were placed before the Audit Committee for approval. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the following link: <https://walchand.com/wp-content/uploads/2020/07/Related-Party-Transaction-Policy-wef-01.04.2020.pdf>

Your Directors draw attention of the members to Note no. 45/46 to the Financial Statement which sets out related party disclosures.

#### 24. Nomination & Remuneration Policy:

The Board has framed a policy on the recommendation of the Nomination & Remuneration Committee, which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection, appointment and remuneration of Board Members / Key Managerial Personnel and other senior employees.

**Objectives:**

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

The Key Objectives of the Committee are:

- a) to formulate guidelines in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board the all Remuneration payable in whatever form payable to the Directors, Key Managerial Personnel and Senior Management.

**Role of Committee:**

The role of the Committee is explained in the Corporate Governance Report.

**Nomination Duties:**

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness.
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013 and SEBI Guidelines.
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board.
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board.
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan.
- g) Evaluating the performance of the Board and Independent Directors.
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- j) Recommend any necessary changes to the Board.
- k) Considering any other matters as may be requested by the Board.

**Remuneration Duties:**

The duties of the Committee in relation to remuneration matters include:

- a) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.
- b) to approve the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- d) to consider any other matters as may be requested by the Board.
- e) to consider and recommend to the Board for Professional indemnity and liability insurance for Directors and senior management.

The Nomination and Remuneration policy is available on the website of the Company and the weblink for the same is <https://www.walchand.com/wp-content/uploads/2019/03/Nomination-Remuneration-Policy-Effective-From-April-1-2019.pdf>

**25. Risk Management:**

Risk Management policy was approved in the Board Meeting held on August 14, 2015 wherein all material Risks faced by the Company were identified and assessed. For each of the risks identified, corresponding controls were assessed and policies and procedures were put in place for monitoring, mitigating and reporting risk on a periodic basis.

**26. Internal Financial Control Systems:**

Details of the Internal Financial Control Systems is explained in the "Management Discussion and Analysis" as **Annexure 'B'** to this report.

**27. Insurance:**

The properties, stocks, stores, assets, etc. belonging to the Company continue to be adequately insured against fire, riot, civil commotion etc.

## 28. Dematerialization of Shares:

The Company's shares are listed on BSE Limited and National Stock Exchange of India Ltd. and the Company's Registrar and Share Transfer Agents have connectivity with National Securities Depository Ltd. & Central Depository Services (India) Ltd. The ISIN is INE711A01022. As on March 31, 2020, total dematerialized equity shares are 37488190 representing 98.47%.

## 29. Company's Website:

The Company has its website namely [www.walchand.com](http://www.walchand.com). The website provides detailed information about the business activity, locations of its offices. The Quarterly Results, Annual Reports, Shareholding patterns and Investor Presentations, all other communication with the Stock Exchanges and various policies are placed on the website of the Company and the same are updated periodically.

## 30. Means of Communication:

The Company has designated [investors@walchand.com](mailto:investors@walchand.com) as an email id for the purpose of registering complaints by investors and displayed the same on the website of the Company.

## 31. Auditors and Auditor's Report:

### Statutory Auditor:

M/s. Jayesh Sanghrajka & Co. LLP, Chartered Accountants, Mumbai was appointed in 108<sup>th</sup> Annual General Meeting (AGM) as the Statutory Auditors of the Company to hold office from the conclusion of 108<sup>th</sup> AGM until the conclusion of the 113<sup>th</sup> AGM.

### Auditors Report:

The notes forming part of the accounts referred in the Auditors' Report are self explanatory and give complete information. There are no qualifications, reservation or adverse remarks made by statutory auditors in the Audit Report except matter referred in "Matter of Emphasis" para in Audit Report.

### 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 2021. They were also the cost auditors for the previous Year ended March 2020. 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 2021.

The Cost Audit Reports for the financial year ended March 2020, will be filed within the stipulated time i.e. on or before September 30, 2020.

## Secretarial Auditor and Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Board has appointed M/s. V. N. Deodhar & Company, Practicing Company Secretary, to conduct Secretarial Audit for the year April 01, 2019 to March 31, 2020. The Secretarial Audit Report for the year ended March 31, 2020 is annexed herewith marked as **Annexure 'F'** to this Report. No observations / qualifications / reservation / adverse remark were made by M/s. V. N. Deodhar & Company, Secretarial Auditor of the Company in their report. The Board has re-appointed M/s. V. N. Deodhar & Co. as Secretarial Auditor for the Financial Year 2020-21 also.

### Reporting of Frauds by Auditors:

During the year under review, the Statutory Auditors, the Secretarial Auditor or the Cost Auditors has not reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which needs to be mentioned in the Board's Report.

## 32. Particulars of Loans, Guarantees or Investments by Company:

Particulars of Loans given, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to Financial Statement (Please refer Notes to the Financial Statement).

## 33. Prevention of Sexual Harassment of Women at Workplace:

Your Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 34. Secretarial Standards:

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

## 35. Familiarization Programme for Independent Directors:

To provide insights into the Company to enable the Independent Directors to understand the Company's business in depth which would facilitate their active participation in managing the Company, Company arranges Familiarization Programme for Independent Directors. The details of such familiarization programmes for Independent Directors are posted on the website of the Company viz. <https://www.walchand.com/wp-content/uploads/2019/04/Familiarisation-programme-for-ID.pdf>.

**36. General:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. No significant or material orders were passed by the Regulators/ Courts / Tribunals which would impact the going concern status of the Company and its future operations.

**37. 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.

The Directors regret the loss of life due to COVID-19 pandemic in the Country and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

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

**Sd/-**  
**Chirag C. Doshi**  
Managing Director & CEO  
DIN: 00181291

**Sd/-**  
**Dilip J. Thakkar**  
Director  
DIN: 00007339

**Registered Office:**

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

Date : June 26, 2020

## ANNEXURE 'A' TO DIRECTORS REPORT

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

as at the Financial Year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Company (Management & Administration) Rules, 2014.

#### I REGISTRATION & OTHER DETAILS

i.	CIN	L74999MH1908PLC000291
ii	Registration Date	25/11/1908
iii	Name of the Company	Walchandnagar Industries Limited
iv	Category/Sub-category of the Company	Company limited by Shares / Non-government company
v	Address of the Registered office & contact details	3, Walchand Terraces, Opposite Air Conditioned Market, Tardeo Road, Mumbai – 400 034. Tel.: 022-23612195/96/97; Fax: 022-23634527. e-mail: investors@walchand.com; Website: www.walchand.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083. email: rnt.helpdesk@linkintime.co.in

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated –

Sl. No.	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Special Products	-	27%
2	Gear Boxes	-	17%
3	Castings	-	15%
4	Erection, Jobwork, Services	-	14%

#### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
N.A.					

## IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

## (i) CATEGORY-WISE SHAREHOLDING

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promoters</b>									
<b>[1]</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	31030	0	31030	0.0815	31030	0	31030	0.0815	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bodies Corporates	15471923	0	15471923	40.6405	15471923	0	15471923	40.6405	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Any Other (Trust)	386410	0	386410	1.0150	386410	0	386410	1.0150	0.0000
	<b>Sub Total (A)(1)</b>	<b>15889363</b>	<b>0</b>	<b>15889363</b>	<b>41.7370</b>	<b>15889363</b>	<b>0</b>	<b>15889363</b>	<b>41.7370</b>	<b>0.0000</b>
<b>[2]</b>	<b>Foreign</b>									
(a)	NRI -Individuals	49250	0	49250	0.1294	49250	0	49250	0.1294	0.0000
(b)	Other Individuals	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Bodies Corporate	5000000	0	5000000	13.1336	5000000	0	5000000	13.1336	0.0000
(d)	Banks / Financial Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Sub Total (A)(2)</b>	<b>5049250</b>	<b>0</b>	<b>5049250</b>	<b>13.263</b>	<b>5049250</b>	<b>0</b>	<b>5049250</b>	<b>13.2630</b>	<b>0.0000</b>
	<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>20938613</b>	<b>0</b>	<b>20938613</b>	<b>55.0000</b>	<b>20938613</b>	<b>0</b>	<b>20938613</b>	<b>55.0000</b>	<b>0.0000</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds	0	500	500	0.0013	0	0	0	0.0000	-0.0013
(b)	Venture Capital Fund	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	217041	23075	240116	0.6307	233695	23075	256770	0.6745	0.0438
(g)	Insurance Companies	1041155	0	1041155	2.7348	0	0	0	0.0000	-2.7348
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	UTI	0	4500	4500	0.0118	0	4500	4500	0.0118	0.0000
	<b>Sub Total (B)(1)</b>	<b>1258196</b>	<b>28075</b>	<b>1286271</b>	<b>3.3787</b>	<b>233695</b>	<b>27575</b>	<b>261270</b>	<b>0.6863</b>	<b>-2.6924</b>
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	Central Government / State Government(s)	0	12000	12000	0.0315	0	12000	12000	0.0315	0.0000
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>12000</b>	<b>12000</b>	<b>0.0315</b>	<b>0</b>	<b>12000</b>	<b>12000</b>	<b>0.0315</b>	<b>0.0000</b>

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	<b>Non-Institutions</b>									
(a)	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	11320469	565330	11885799	31.2207	13074941	512030	13586971	35.6893	4.4686
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	457738	52500	510238	1.3403	552884	0	552884	1.4523	0.1120
(b)	NBFCs registered with RBI	15765	0	15765	0.0414	200	0	200	0.0005	-0.0409
(c)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	<b>Any Other (Specify)</b>									
	IEPF	399095	0	399095	1.0483	433284	0	433284	1.1381	0.0898
	Trusts	4275	400	4675	0.0123	4275	400	4675	0.0123	0.0000
	Foreign Nationals	1350	0	1350	0.0035	1350	0	1350	0.0035	0.0000
	Hindu Undivided Family	768686	0	768686	2.0191	864124	0	864124	2.2698	0.2507
	Non Resident Indians (Non Repat)	112036	0	112036	0.2943	66565	0	66565	0.1748	-0.1195
	Non Resident Indians (Repat)	273586	4320	277906	0.7300	164022	4320	168342	0.4422	-0.2878
	Office Bearers	0	12405	12405	0.0326	0	10400	10400	0.0273	-0.0053
	Clearing Member	363466	0	363466	0.9547	98016	0	98016	0.2575	-0.6972
	Bodies Corporate	1466610	15290	1481900	3.8925	1056221	15290	1071511	2.8146	-1.0779
	<b>Sub Total (B)(3)</b>	<b>15183076</b>	<b>650245</b>	<b>15833321</b>	<b>41.5898</b>	<b>16315882</b>	<b>542440</b>	<b>16858322</b>	<b>44.2822</b>	<b>2.6924</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>16441272</b>	<b>690320</b>	<b>17131592</b>	<b>45.0000</b>	<b>16549577</b>	<b>582015</b>	<b>17131592</b>	<b>45.0000</b>	<b>0.0000</b>
(C)	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
	<b>Grand Total (A)+(B)+(C)</b>	<b>37379885</b>	<b>690320</b>	<b>38070205</b>	<b>100.0000</b>	<b>37488190</b>	<b>582015</b>	<b>38070205</b>	<b>100.0000</b>	<b>0.0000</b>

**(ii) SHAREHOLDING OF PROMOTERS**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 2019			Shareholding at the end of the year 2020			% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	WALCHAND KAMDHENU COMMERCIALS PVT. LTD.	9869673	25.9249	25.9249	9869673	25.9249	25.9249	0.0000
2	WALCHAND GREAT ACHIEVERS PRIVATE LIMITED	5260160	13.8170	13.8170	5260160	13.8170	13.8170	0.0000
3	RODIN HOLDINGS INC.	3000000	7.8802	7.8802	3000000	7.8802	7.8802	0.0000
4	OLSSON HOLDINGS INC.	2000000	5.2535	5.2535	2000000	5.2535	5.2535	0.0000
5	SMT. LALITABAI LALCHAND CHARITY TRUST	379210	0.9961	0.0000	379210	0.9961	0.0000	0.0000
6	WALCHAND CHIRANIKA TRADING PVT. LTD.	342090	0.8986	0.8986	342090	0.8986	0.8986	0.0000
7	CHAKOR L. DOSHI	49250	0.1294	0.1294	49250	0.1294	0.1294	0.0000
8	CHIRAG C. DOSHI	14000	0.0368	0.0368	14000	0.0368	0.0368	0.0000
9	CHAMPA C. DOSHI	10350	0.0272	0.0272	10350	0.0272	0.0272	0.0000
10	WALCHAND CHARITABLE TRUST	7200	0.0189	0.0000	7200	0.0189	0.0000	0.0000
11	CHAKOR L. DOSHI HUF	6680	0.0175	0.0175	6680	0.0175	0.0175	0.0000
	<b>Total</b>	<b>20938613</b>	<b>55.0000</b>	<b>53.9851</b>	<b>20938613</b>	<b>55.0000</b>	<b>53.9851</b>	<b>0.0000</b>



(iii) **CHANGE IN PROMOTERS' SHAREHOLDING**

There is no change in Promoter's Shareholding.

(iv) **SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)**

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
1	ICICI BANK LIMITED	68024	0.1787			68024	0.1787
	Market Buy			05 Apr 2019	91478	159502	0.419
	Market Buy			12 Apr 2019	12617	172119	0.4521
	Market sell			19 Apr 2019	-13671	158448	0.4162
	Market Buy			26 Apr 2019	356	158804	0.4171
	Market Buy			03 May 2019	1535	160339	0.4212
	Market Buy			10 May 2019	5455	165794	0.4355
	Market Buy			17 May 2019	1940	167734	0.4406
	Market sell			24 May 2019	-2795	164939	0.4332
	Market sell			31 May 2019	-27764	137175	0.3603
	Market Buy			07 Jun 2019	37906	175081	0.4599
	Market sell			14 Jun 2019	-27300	147781	0.3882
	Market Buy			21 Jun 2019	17660	165441	0.4346
	Market sell			29 Jun 2019	-30076	135365	0.3556
	Market Buy			05 Jul 2019	3727	139092	0.3654
	Market Buy			12 Jul 2019	33590	172682	0.4536
	Market sell			19 Jul 2019	-11397	161285	0.4237
	Market Buy			26 Jul 2019	5387	166672	0.4378
	Market Buy			02 Aug 2019	5126	171798	0.4513
	Market Sell			09 Aug 2019	-2387	169411	0.445
	Market Sell			16 Aug 2019	-4230	165181	0.4339
	Market Buy			23 Aug 2019	3766	168947	0.4438
	Market Sell			30 Aug 2019	-29957	138990	0.3651
	Market Buy			06 Sep 2019	17207	156197	0.4103
	Market Sell			13 Sep 2019	-11811	144386	0.3793
	Market Sell			20 Sep 2019	-2293	142093	0.3732
	Market Sell			27 Sep 2019	-38531	103562	0.272
	Market Buy			30 Sep 2019	122388	225950	0.5935
	Market Buy			04 Oct 2019	28176	254126	0.6675
	Market Buy			11 Oct 2019	6975	261101	0.6858
	Market Sell			18 Oct 2019	-133531	127570	0.3351
	Market Sell			25 Oct 2019	-5407	122163	0.3209
	Market Sell			01 Nov 2019	-12081	110082	0.2892

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Sell			08 Nov 2019	-1753	108329	0.2846
	Market Buy			15 Nov 2019	12022	120351	0.3161
	Market Buy			22 Nov 2019	12569	132920	0.3491
	Market Buy			29 Nov 2019	20299	153219	0.4025
	Market Buy			06 Dec 2019	6121	159340	0.4185
	Market Buy			13 Dec 2019	776	160116	0.4206
	Market Buy			20 Dec 2019	4417	164533	0.4322
	Market Sell			27 Dec 2019	-8592	155941	0.4096
	Market Sell			31 Dec 2019	-516	155425	0.4083
	Market Buy			03 Jan 2020	13348	168773	0.4433
	Market Sell			10 Jan 2020	-1547	167226	0.4393
	Market Sell			17 Jan 2020	-13010	154216	0.4051
	Market Buy			24 Jan 2020	10937	165153	0.4338
	Market Sell			31 Jan 2020	-9881	155272	0.4079
	Market Buy			07 Feb 2020	23676	178948	0.47
	Market Buy			14 Feb 2020	10582	189530	0.4978
	Market Sell			21 Feb 2020	-12236	177294	0.4657
	Market Buy			28 Feb 2020	2555	179849	0.4724
	Market Buy			06 Mar 2020	5862	185711	0.4878
	Market Sell			13 Mar 2020	-14805	170906	0.4489
	Market Sell			20 Mar 2020	-12853	158053	0.4152
	Market Buy			27 Mar 2020	11982	170035	0.4466
	Market Buy			31 Mar 2020	4310	174345	0.458
	AT THE END OF THE YEAR					174345	0.458
2	H G CONSULTANCY AND AGROPRODUCE PVT LTD	0	0			0	0
	Market Buy			22 Nov 2019	132292	132292	0.3475
	AT THE END OF THE YEAR					132292	0.3475
3	ILABEN HARISHBHAI MEHTA	15000	0.0394			15000	0.0394
	Market Buy			30 Aug 2019	100000	115000	0.3021
	Market Sell			29 Nov 2019	-100000	15000	0.0394
	Market Buy			03 Jan 2020	100000	115000	0.3021
	AT THE END OF THE YEAR					115000	0.3021
4	BHADRA JAYANTILAL SHAH	100000	0.2627			100000	0.2627
	AT THE END OF THE YEAR					100000	0.2627
5	CHETAN JAYANTILAL SHAH	200000	0.5253			200000	0.5253

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Sell			07 Feb 2020	-64032	135968	0.3572
	Market Sell			13 Mar 2020	-35968	100000	0.2627
	AT THE END OF THE YEAR					100000	0.2627
6	SHASHANK S KHADE	12660	0.0333			12660	0.0333
	Market Buy			02 Aug 2019	25246	37906	0.0996
	Market Buy			09 Aug 2019	30993	68899	0.181
	Market Buy			23 Aug 2019	22500	91399	0.2401
	Market Buy			30 Aug 2019	5000	96399	0.2532
	Market Sell			13 Mar 2020	-6000	90399	0.2375
	AT THE END OF THE YEAR					90399	0.2375
7	AXIS BANK LIMITED	91127	0.2394			91127	0.2394
	Market Sell			05 Apr 2019	-8915	82212	0.2159
	Market Buy			12 Apr 2019	4626	86838	0.2281
	Market Buy			19 Apr 2019	20284	107122	0.2814
	Market Sell			26 Apr 2019	-39093	68029	0.1787
	Market Buy			03 May 2019	6542	74571	0.1959
	Market Sell			10 May 2019	-2151	72420	0.1902
	Market Sell			17 May 2019	-2466	69954	0.1837
	Market Buy			24 May 2019	3992	73946	0.1942
	Market Buy			31 May 2019	11147	85093	0.2235
	Market Sell			07 Jun 2019	-8474	76619	0.2013
	Market Sell			14 Jun 2019	-5808	70811	0.186
	Market Sell			21 Jun 2019	-1891	68920	0.181
	Market Sell			29 Jun 2019	-4835	64085	0.1683
	Market Buy			05 Jul 2019	5580	69665	0.183
	Market Sell			12 Jul 2019	-2029	67636	0.1777
	Market Buy			19 Jul 2019	1750	69386	0.1823
	Market Sell			26 Jul 2019	-1826	67560	0.1775
	Market Sell			02 Aug 2019	-1058	66502	0.1747
	Market Buy			09 Aug 2019	236	66738	0.1753
	Market Buy			16 Aug 2019	1478	68216	0.1792
	Market Buy			23 Aug 2019	6523	74739	0.1963
	Market Buy			30 Aug 2019	2930	77669	0.204
	Market Buy			06 Sep 2019	1765	79434	0.2087
	Market Sell			13 Sep 2019	-8549	70885	0.1862

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Buy			20 Sep 2019	2607	73492	0.193
	Market Sell			27 Sep 2019	-21901	51591	0.1355
	Market Buy			30 Sep 2019	34137	85728	0.2252
	Market Sell			04 Oct 2019	-4958	80770	0.2122
	Market Sell			11 Oct 2019	-5056	75714	0.1989
	Market Sell			18 Oct 2019	-10521	65193	0.1712
	Market Buy			25 Oct 2019	9383	74576	0.1959
	Market Sell			01 Nov 2019	-1585	72991	0.1917
	Market Sell			08 Nov 2019	-5408	67583	0.1775
	Market Buy			15 Nov 2019	14462	82045	0.2155
	Market Sell			22 Nov 2019	-872	81173	0.2132
	Market Sell			29 Nov 2019	-785	80388	0.2112
	Market Buy			06 Dec 2019	2251	82639	0.2171
	Market Buy			13 Dec 2019	4388	87027	0.2286
	Market Sell			20 Dec 2019	-7378	79649	0.2092
	Market Buy			27 Dec 2019	2848	82497	0.2167
	Market Buy			31 Dec 2019	55	82552	0.2168
	Market Sell			03 Jan 2020	-10337	72215	0.1897
	Market Sell			10 Jan 2020	-780	71435	0.1876
	Market Buy			17 Jan 2020	16421	87856	0.2308
	Market Sell			24 Jan 2020	-3656	84200	0.2212
	Market Sell			31 Jan 2020	-8209	75991	0.1996
	Market Sell			07 Feb 2020	-10349	65642	0.1724
	Market Buy			14 Feb 2020	270	65912	0.1731
	Market Buy			21 Feb 2020	10300	76212	0.2002
	Market Buy			28 Feb 2020	2595	78807	0.207
	Market Sell			06 Mar 2020	-7900	70907	0.1863
	Market Sell			13 Mar 2020	-3885	67022	0.176
	Market Sell			20 Mar 2020	-2280	64742	0.1701
	Market Sell			27 Mar 2020	-192	64550	0.1696
	Market Sell			31 Mar 2020	-100	64450	0.1693
	AT THE END OF THE YEAR					64450	0.1693
8	ANGEL BROKING LIMITED	70206	0.1844			70206	0.1844
	Market Sell			05 Apr 2019	-375	69831	0.1834
	Market Buy			12 Apr 2019	12899	82730	0.2173
	Market Buy			19 Apr 2019	5935	88665	0.2329

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Sell			26 Apr 2019	-884	87781	0.2306
	Market Sell			03 May 2019	-273	87508	0.2299
	Market Sell			10 May 2019	-8006	79502	0.2088
	Market Buy			17 May 2019	3430	82932	0.2178
	Market Sell			24 May 2019	-13647	69285	0.182
	Market Buy			31 May 2019	12414	81699	0.2146
	Market Buy			07 Jun 2019	30	81729	0.2147
	Market Buy			14 Jun 2019	1125	82854	0.2176
	Market Buy			21 Jun 2019	3533	86387	0.2269
	Market Sell			29 Jun 2019	-11806	74581	0.1959
	Market Sell			05 Jul 2019	-4908	69673	0.183
	Market Buy			12 Jul 2019	1953	71626	0.1881
	Market Buy			19 Jul 2019	8605	80231	0.2107
	Market Sell			26 Jul 2019	-9	80222	0.2107
	Market Sell			02 Aug 2019	-4586	75636	0.1987
	Market Sell			09 Aug 2019	-1144	74492	0.1957
	Market Sell			16 Aug 2019	-3948	70544	0.1853
	Market Sell			23 Aug 2019	-712	69832	0.1834
	Market Sell			30 Aug 2019	-28062	41770	0.1097
	Market Buy			06 Sep 2019	5127	46897	0.1232
	Market Sell			13 Sep 2019	-912	45985	0.1208
	Market Buy			20 Sep 2019	12877	58862	0.1546
	Market Sell			27 Sep 2019	-17333	41529	0.1091
	Market Buy			30 Sep 2019	7165	48694	0.1279
	Market Sell			04 Oct 2019	-1633	47061	0.1236
	Market Sell			11 Oct 2019	-9145	37916	0.0996
	Market Sell			18 Oct 2019	-343	37573	0.0987
	Market Buy			25 Oct 2019	18391	55964	0.147
	Market Buy			01 Nov 2019	29107	85071	0.2235
	Market Sell			08 Nov 2019	-28893	56178	0.1476
	Market Buy			15 Nov 2019	3185	59363	0.1559
	Market Buy			22 Nov 2019	15374	74737	0.1963
	Market Sell			29 Nov 2019	-43400	31337	0.0823
	Market Buy			06 Dec 2019	16950	48287	0.1268
	Market Sell			13 Dec 2019	-2829	45458	0.1194
	Market Buy			20 Dec 2019	4945	50403	0.1324

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Buy			27 Dec 2019	5729	56132	0.1474
	Market Buy			31 Dec 2019	1627	57759	0.1517
	Market Sell			03 Jan 2020	-7204	50555	0.1328
	Market Buy			10 Jan 2020	23557	74112	0.1947
	Market Buy			17 Jan 2020	8289	82401	0.2164
	Market Sell			24 Jan 2020	-26992	55409	0.1455
	Market Sell			31 Jan 2020	-3365	52044	0.1367
	Market Sell			07 Feb 2020	-10268	41776	0.1097
	Market Sell			14 Feb 2020	-324	41452	0.1089
	Market Buy			21 Feb 2020	1552	43004	0.113
	Market Buy			28 Feb 2020	1147	44151	0.116
	Market Sell			06 Mar 2020	-4941	39210	0.103
	Market Buy			13 Mar 2020	8232	47442	0.1246
	Market Buy			20 Mar 2020	15860	63302	0.1663
	Market Sell			27 Mar 2020	-1970	61332	0.1611
	Market Buy			31 Mar 2020	2295	63627	0.1671
	AT THE END OF THE YEAR					63627	0.1671
9	PISTA BAI .	0	0			0	0
	Market Buy			07 Feb 2020	100000	100000	0.2627
	Market Sell			21 Feb 2020	-10000	90000	0.2364
	Market Sell			28 Feb 2020	-30655	59345	0.1559
	AT THE END OF THE YEAR					59345	0.1559
10	EDELWEISS CUSTODIAL SERVICES LTD	100532	0.2641			100532	0.2641
	Market Sell			05 Apr 2019	-5125	95407	0.2506
	Market Sell			12 Apr 2019	-21490	73917	0.1942
	Market Buy			19 Apr 2019	4674	78591	0.2064
	Market Buy			26 Apr 2019	15768	94359	0.2479
	Market Buy			03 May 2019	3772	98131	0.2578
	Market Buy			10 May 2019	14211	112342	0.2951
	Market Buy			17 May 2019	15277	127619	0.3352
	Market Sell			24 May 2019	-18233	109386	0.2873
	Market Sell			31 May 2019	-11694	97692	0.2566
	Market Sell			07 Jun 2019	-1367	96325	0.253
	Market Buy			14 Jun 2019	7492	103817	0.2727
	Market Sell			21 Jun 2019	-5961	97856	0.257
	Market Buy			29 Jun 2019	17392	115248	0.3027

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Sell			05 Jul 2019	-14171	101077	0.2655
	Market Buy			12 Jul 2019	10298	111375	0.2926
	Market Buy			19 Jul 2019	59346	170721	0.4484
	Market Sell			26 Jul 2019	-11721	159000	0.4176
	Market Buy			02 Aug 2019	51164	210164	0.552
	Market Sell			09 Aug 2019	-4895	205269	0.5392
	Market Buy			16 Aug 2019	43	205312	0.5393
	Market Buy			23 Aug 2019	3302	208614	0.548
	Market Sell			30 Aug 2019	-116249	92365	0.2426
	Market Sell			06 Sep 2019	-100	92265	0.2424
	Market Buy			13 Sep 2019	499	92764	0.2437
	Market Sell			20 Sep 2019	-2766	89998	0.2364
	Market Buy			27 Sep 2019	15730	105728	0.2777
	Market Buy			30 Sep 2019	70	105798	0.2779
	Market Buy			04 Oct 2019	2101	107899	0.2834
	Market Sell			11 Oct 2019	-2558	105341	0.2767
	Market Sell			18 Oct 2019	-13741	91600	0.2406
	Market Sell			25 Oct 2019	-5124	86476	0.2271
	Market Sell			01 Nov 2019	-11462	75014	0.197
	Market Sell			08 Nov 2019	-681	74333	0.1953
	Market Buy			15 Nov 2019	9260	83593	0.2196
	Market Sell			22 Nov 2019	-9450	74143	0.1948
	Market Buy			29 Nov 2019	4423	78566	0.2064
	Market Buy			06 Dec 2019	347	78913	0.2073
	Market Buy			13 Dec 2019	9390	88303	0.2319
	Market Sell			20 Dec 2019	-5492	82811	0.2175
	Market Sell			27 Dec 2019	-3460	79351	0.2084
	Market Sell			03 Jan 2020	-978	78373	0.2059
	Market Sell			10 Jan 2020	-15957	62416	0.1639
	Market Buy			17 Jan 2020	20265	82681	0.2172
	Market Sell			24 Jan 2020	-19991	62690	0.1647
	Market Buy			07 Feb 2020	2950	65640	0.1724
	Market Sell			14 Feb 2020	-1666	63974	0.168
	Market Sell			21 Feb 2020	-178	63796	0.1676
	Market Sell			06 Mar 2020	-3000	60796	0.1597
	Market Sell			13 Mar 2020	-5000	55796	0.1466

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year 01.04.2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Market Buy			20 Mar 2020	3971	59767	0.157
	Market Sell			27 Mar 2020	-10056	49711	0.1306
	Market Sell			31 Mar 2020	-2500	47211	0.124
	AT THE END OF THE YEAR					47211	0.124

Note:

1. Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 38070205 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

#### (V) SHAREHOLDING OF DIRECTORS & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Chakor L. Doshi				
	At the beginning of the year	49250	0.1294	49250	0.1294
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0.0000	0	0.0000
	At the end of the year	49250	0.1294	49250	0.1294
2.	Chirag C. Doshi				
	At the beginning of the year	14000	0.0368	14000	0.0368
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0	0	0.0000
	At the end of the year	14000	0.0368	14000	0.0368
3.	G. K. Pillai				
	At the beginning of the year	0	0.0000	0	0.0000
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0	0	0.0000
	At the end of the year	0	0.0000	0	0.0000
4.	Dilip J. Thakkar				
	At the beginning of the year	0	0.0000	0	0.0000
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0	0	0.0000
	At the end of the year	0	0.0000	0	0.0000
5.	Dr. Anil Kakodkar				
	At the beginning of the year	0	0.0000	0	0.0000



Sl. No.	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>For Each of the Directors &amp; KMP</b>				
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0	0	0.0000
At the end of the year	0	0.0000	0	0.0000
6. A. R. Gandhi (Term expires as Independent Director as on August 06, 2019)				
At the beginning of the year	0	0.0000	0	0.0000
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0	0	0.0000
At the end of the year	0	0.0000	0	0.0000
7. Bhavna Doshi (Term expires as Independent Director as on August 06, 2019)				
At the beginning of the year	0	0.0000	0	0.0000
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0	0	0.0000
At the end of the year	0	0.0000	0	0.0000
8. Rupal Vora (appointed as Additional Non Executive Independent Director as on August 07, 2019)				
At the beginning of the year	0	0.0000	0	0.0000
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0	0	0.0000
At the end of the year	0	0.0000	0	0.0000
9. G. S. Agrawal				
At the beginning of the year	0	0.0000	0	0.0000
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0	0	0.0000
At the end of the year	0	0.0000	0	0.0000
10. Sandeep Jain (appointed as Chief Financial Officer on May 22, 2019)				
At the beginning of the year	0	0.0000	0	0.0000
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0	0	0.0000
At the end of the year	0	0.0000	0	0.0000

## (VI) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lakhs)

Particulars	Secured Loans excluding Deposit	Unsecured Loans	Deposits	Total
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	45,392	-	-	45,392
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,392	-	-	2,392
<b>Total (i+ii+iii)</b>	<b>47,784</b>	<b>-</b>	<b>-</b>	<b>47,784</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	0	-	-	0
Reduction	3,629	-	-	3,629
<b>Net Change</b>	<b>3,629</b>	<b>-</b>	<b>-</b>	<b>3,629</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	40,506	-	-	40,506
ii) Interest due but not paid	403	-	-	403
iii) Interest accrued but not due	3,247	-	-	3,247
<b>Total (i+ii+iii)</b>	<b>44,156</b>	<b>-</b>	<b>-</b>	<b>44,156</b>

## (VII) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager :

Sl. No	Particulars of Remuneration	Name of the MD		Total Amount
		Mr. G. K. Pillai*	Mr. Chirag C. Doshi	
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax, 1961.	8,703,996.00	7,500,000.00	16,203,996.00
	(b) Value of perquisites u/s 17 (2) of the Income tax Act, 1961.	439,596.00	1,088,093.50	1,527,689.50
	(c) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961.	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5	Others, please specify			
	Contribution of P. F. and Superannuation	0.00	3,054,960.00	3,054,960.00
	Gratuity	0.00	230,769.00	230,769.00
	<b>Total (A)</b>	<b>9,143,592.00</b>	<b>11,873,822.50</b>	<b>21,017,414.50</b>
	<b>Ceiling as per the Act</b>	<b>N.A. (being in loss)</b>		

**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	Mr. Dilip J. Thakkar	Dr. Anil Kakodkar	Mr. A. R. Gandhi (upto August 06, 2019)	Mrs. Bhavna Doshi (upto August 06, 2019)	Mrs. Rupal Vora (from August 07, 2019)	
	(a) Fee for attending board / committee meetings	8,00,000	7,00,000	1,50,000	2,00,000	1,50,000	20,00,000
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>8,00,000</b>	<b>7,00,000</b>	<b>1,50,000</b>	<b>2,00,000</b>	<b>1,50,000</b>	<b>20,00,000</b>

		Name of the Director	Total
2	Other Non Executive Directors	Mr. Chakor L. Doshi	
	(a) Fee for attending board committee meetings	6,50,000	6,50,000
	(b) Commission	-	-
	(c) Others, please specify	-	-
	<b>Total (2)</b>	<b>6,50,000</b>	<b>6,50,000</b>
	<b>Total (B)=(1+2)</b>		<b>26,50,000</b>
	<b>Total Managerial Remuneration</b>		<b>2,36,67,414.50</b>
	<b>Overall Ceiling as per the Act</b>		<b>N.A. (being in loss)</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. G. S. Agrawal	Mr. Sandeep Jain (from May 22, 2019)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income Tax, 1961.	27,27,944.04	52,77,018.24	80,04,962.28
	(b) Value of perquisites u/s 17 (2) of the Income tax Act, 1961.	1,40,975.00	1,33,909.00	2,74,884.00
	(c) Profits in lieu of salary under section 17 (3) of the Income Tax Act, 1961.	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission as % of profit	-	-	-
5	Others, please specify			
	Contribution of P. F. and Superannuation	8,63,690.00	2,64,675.00	11,28,365.00
	Gratuity	55,970.00	0.00	55,970.00
	<b>Total (A)</b>	<b>37,88,579.04</b>	<b>56,75,602.24</b>	<b>94,64,181.28</b>

\* Mr. G. K. Pillai is Managing Director and CEO of the Company. His remuneration is as mentioned in (VII) A above.

**(VIII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil**

## ANNEXURE 'B' TO DIRECTORS REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Economic Overview

The year gone by (F.Y. 2019-20) has been one of the most challenging ones in recent times for India from an economic perspective. With GDP growth rate at an 11 year low of 5% and significant decline in various headline parameters like credit availability, private consumption, farm income, core sector industrial growth, exports and investment, the overall backdrop was quite grim when the Covid-19 pandemic struck in March 2020.

Also for the whole of the fiscal year F.Y. 19-20, the global economy was experiencing very strong headwinds with the ongoing trade war between USA and China derailing world economic growth and trade. The Covid-19 pandemic which became more pronounced globally since February 2020 came as an unprecedented jolt to public health and economic stability across the world and India has been no exception.

The unprecedented lockdown across the country starting 22<sup>nd</sup> March, 2020 and continuing in phases till the first week of June 2020 while having played its part in flattening the growth of the spread of the virus to an extent, has also resulted in severe economic stress across cross sections of the population and industry. While the government responded with a stimulus package, what remains to be seen is whether the package is able to give a fillip to consumer demand which has been the biggest casualty of the pandemic in an economic sense.

WIL's manufacturing facilities at Walchandnagar, Satara, Dharwad and its offices also went into lockdown mode following the government's directives with all the necessary precautions being undertaken in order to safeguard the health and safety of employees and their families. As some relaxations were allowed by the government and in full compliance with the district level instructions, the three manufacturing facilities gradually (with partial workforce) opened up in May 2020. As such, WIL has been one of the few companies in India to have seen a resumption of operations albeit gradually and with the obvious constraints across the supply chain.

One of the strengths of WIL in these times of crisis has been its wide portfolio of business activities and its versatile facilities. Even though the Indian economy is on the verge of a significant de-growth in F.Y. 20-21, WIL remains cautiously optimistic about a pick-up in economic activity in the remainder of the fiscal year F.Y. 20-21. We fully stand by and support the clarion call of "Atmanirbhar Bharat" which resonates with our Nation Building philosophy since inception.

#### Financial Performance

Following is the summary of sales & profitability for the fiscal 2019-20 compared with previous year

Particulars	FY 2019-20	FY 2018-19
Total Income	31,822	38,897
EBIDTA (Before Exceptional Items & Exchange Currency fluctuations)	4,781	9,705
EBIDTA (After Exceptional Items & Exchange Currency fluctuations)	4,406	10,540
Profit / (Loss) Before Tax (PBT)	(6,546)	(214)
Profit / (Loss) After Tax (PAT)	(6,546)	(214)
Cash Profit / (Loss) (Including Exceptional Items)	(4,247)	2,489
Cash Profit / (Loss) (Excluding Exceptional Items)	(3,268)	2,489
Fully diluted EPS	(17.20)	(0.56)

(All figures in INR lakhs except EPS, which is an absolute number)

#### Business Segment-wise Order Book, Performance & focus areas

The order book as on 31<sup>st</sup> March, 2020 stood at INR 888 Crore. The order mix indicates a clear emphasis towards hi-tech manufacturing (63% by order value). Going ahead, the approach is clearly to focus on strategic manufacturing sectors like aerospace, defence, nuclear, missiles coupled with product businesses like gears, centrifugals and castings.

The clear trend mentioned above is evident in the revenue mix of F.Y. 19-20 wherein close to 90% of the revenue came from manufacturing as compared to EPC business. This has been a part of the trend set by WIL since 2013-14 to move away from the traditional EPC business to focus more on high-tech manufacturing thereby positively impacting the bottom-line of the company.

#### Highlights:

- Highest ever recorded total order book in the Aerospace business – INR 306 Crore.
- Approx 9% increase over last year's order book.
- Steady progress in the execution of the prestigious "OPV Gearbox" project being executed for Goa Shipyard.
- Steady progress in the execution of the Hairpin Heat Exchanger order from NPCIL.
- Ongoing cost rationalization and capacity optimization.

#### Risk Management:

WIL 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 is evolving in line with the current market trends and conditions wherein going ahead there would be an ever increasing thrust on manufacturing businesses in strategic sectors as against EPC businesses where the approach

would be selective with a clear consideration to customer profile and profitability.

Exposure to retention money and guarantees is an inherent part of the business of your company which is especially pronounced in the case of long gestation projects. WIL has adopted a balanced approach of stringent project management in case of newly accrued manufacturing orders and phase-wise completion and clearance of legacy EPC projects to effectively mitigate this risk.

### **Liquidity & Financial Prudence**

Management of liquidity assumes even more importance when the size of the projects being handled goes up and also when the deadlines of execution are stringent and payment terms are competitive. Your company firmly believes that financial prudence is the key to survival in difficult times as well as for sustained growth. We have made a conscious effort to improve our working capital, by releasing blocked funds from our Balance Sheet, as well as improving our Inventory Management processes.

### **Foreign Exchange Risk Management**

Your company's fundamental policy on the exchange risk management 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**

WIL keeps itself abreast of the latest technology trends in its various businesses. Technology collaborations are becoming even more important given the profile of focus areas/new businesses – Aerospace, Composites, Defence and Products. Your company continues to be fully cognizant of the same. We are also continuously improving our fabrication and manufacturing abilities through a combination of automation as well as manual process improvement.

### **Demand Cyclicity: Part of the industry structure**

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 upgradation / Collaborations.
- Balance between Strategic Manufacturing and Product businesses.
- New Businesses – Railways and Process Equipment.
- Continued focus on Spares and Refurbishment.
- Focus on overseas businesses to balance the cyclicity in domestic markets.

### **Internal Control**

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.
- 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.

### **Human Resources**

WIL has been a pioneer in the field of technical training in the heavy engineering industry. Various initiatives have been undertaken to develop and nurture talent, leadership and managerial skills. Internal transfers, job rotation, GET / Management Trainee programs have been some of the approaches adopted. Regular communication sessions between staff/workmen and top management have ensured that organizational strategies and thinking have percolated across all levels of staff and workforce. Management and workmen relations have been cordial. Workmen wage settlements which fell due have been amicable concluded.

### **Business Outlook – Cautious Optimism**

- Strong - trend towards skew in order book in favour of hi-tech manufacturing.
- Optimal planning of manufacturing capacity.
- Ongoing efforts towards cost-rationalization.
- Fine balance between strategic manufacturing, product businesses – gears, centrifugals, castings, cement plant equipment, instrumentation.
- Selective upgradation of facilities.

### **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 cyclicity and adversities. The key to this lies in the conservative, synergistic and technology focused 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 'C' 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 all stakeholders. The Company has Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee, Finance Committee, Corporate Social Responsibility Committee, Committee of Independent Directors, Allotment Committee, Committee of Directors for Capital Issue, and these Committees report to the Board of Directors about the tasks assigned to them.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### (2) Board of Directors:

As on March 31, 2020, the Board of Directors comprised of a Non-Executive Chairman, a Managing Director & CEO, a Managing Director and 3 Independent Non-Executive Directors including a Woman Director. The composition of the Board of Directors is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Non-Executive Directors are professionals and have vast experience in the field of industry operations, accounts, finance, taxation, administration, management and Research & Development, bringing a wide range of expertise and experience to the Board.

As required under the Listing Regulations, 2015, the Directors Report includes the Report on "Management Discussion and Analysis" as **Annexure 'B'** to Directors Report. The Board Members are presented with proper notes along with the Agenda papers 7 days in advance before the meeting. Information covering the matters listed as per Regulation 17 read with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided to the Board as a part of Agenda papers.

The details of Directors on the Board of the Company during the Financial Year from April 01, 2019 to March 31, 2020 are given below:

#### Information on Board of Directors

Name of Director	Category / Designation	No. of Board Meetings held	Attendance (01.04.2019 to 31.03.2020)		No. of other Directorship in other Public Ltd Cos #	Chairmanship / Membership of Committees in other Public Ltd Cos. \$		No. of Shares held by Non-Executive Directors	Remuneration paid / payable to Directors (₹ in Lakhs)			
			Board Meetings	Last AGM		Chairmanship	Membership		Sitting Fees	Salaries & Perquisites	Commission	Total
Mr. Chakor L. Doshi §	C - NED	5	4	Yes	1	-	0	55930*	6.50	-	-	6.50
Mr. Dilip J. Thakkar	I - NED	5	5	Yes	5	2	3	0	8.00	-	-	8.00
Dr. Anil Kakodkar	I - NED	5	5	Yes	2	0	0	0	7.00	-	-	7.00
Mrs. Rupal Vora	I - NED	3	3	NA	1	1	1	0	1.50	-	-	1.50
Mr. A. R. Gandhi @	I - NED	2	2	Yes	-	-	-	-	1.50	-	-	1.50
Mrs. Bhavna Doshi @	I - NED	2	2	Yes	-	-	-	-	2.00	-	-	2.00
Mr. G. K. Pillai	MD & CEO	5	4	Yes	1	0	0	N.A.	-	91.44	-	91.44
Mr. Chirag C. Doshi §	MD	5	5	Yes	1	0	1	N.A.	-	118.74	-	118.74

#### Notes:

1. "C-NED" Chairman – Non Executive Director "MD" Managing Director  
"I-NED" Independent Non Executive Director "MD&CEO" Managing Director & Chief Executive Officer
2. The Board meets at least once in a quarter to review the quarterly performance and the financial results and other items on the agenda, which are distributed to all the Directors 7 days in advance except items of Agenda which are in the nature of Unpublished Price Sensitive Information are circulated 2 days in advance. During the Financial Year from April 01, 2019 to March 31, 2020, five Board Meetings were held on May 16, 2019; August 06, 2019; September 26, 2019; November 12, 2019 and February 07, 2020 and the maximum gap between the two Board meetings did not exceed 120 days.
3. There were no pecuniary relationships or transactions of Non-Executive Directors with the Company.
- @ Mr. A. R. Gandhi and Mrs. Bhavna Doshi have ceased to be Directors w.e.f. August 06, 2019 upon completion of their term as Independent Director. During their tenure two Board Meetings were held viz. on May 16, 2019 and August 06, 2019.
- # 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.
- \$ Figures includes Committee positions in Audit Committee and 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.
- \* Includes 6680 of Chakor L. Doshi HUF

**Core skills / expertise / competencies available with the Board:**

The following skills/expertise/competencies have been identified by the Board of Directors as required in the context of the Company's aforesaid business(es) for it to function effectively and those available with the Board as a whole:

- a) Financial/ Taxation Skills
- b) Legal/Regulatory Skills
- c) Leadership/Operational Experience
- d) Board Service and Governance
- e) Strategic Planning/Risk Management
- f) Industry/Business Experience
- g) Global Business

The following are the details of the listed entities in which the Director is a director, category of Directorship and their area of expertise:

Sr. No.	Name of the Director	Directorship held in other listed entities	Area of Expertise	Category of Directorship
1	Mr. Chakor L. Doshi	Bombay Cycle & Motor Agency Limited	a) Leadership/Operational Experience b) Board Service and Governance c) Strategic Planning/Risk Management d) Industry/Business Experience e) Global Business	Non Executive Director
2	Mr. Dilip J. Thakkar	Premier Ltd. Poddar Housing and Development Ltd. Indo Count Ind. Ltd. AGC Networks Ltd. Essar Ports Ltd.	a) Financial/ Taxation Skills b) Legal/Regulatory Skills c) Board Service and Governance d) Strategic Planning/ Risk Management	Non Executive – Independent Director Non Executive – Independent Director Non Executive – Independent Director Non Executive – Independent Director Non Executive – Independent Director
3	Dr. Anil Kakodkar	Triveni Turbines Ltd. Maharashtra Knowledge Corporation Limited	a) Leadership/Operational Experience b) Board Service and Governance c) Industry /Business Experience d) Global Business e) Strategic Planning/ Risk Management	Non Executive – Independent Director Non Executive – Independent Director
4	Mrs. Rupal Vora	Bombay Cycle & Motor Agency Limited	a) Financial/ Taxation Skills b) Legal/Regulatory Skills c) Board Service and Governance d) Strategic Planning/ Risk Management	Non Executive – Independent Director
5	Mr. G. K. Pillai	Steel and Industrial Forgings Limited	a) Leadership/Operational Experience b) Board Service and Governance c) Industry/Business Experience d) Global Business	Director
6	Mr. Chirag C. Doshi	Bombay Cycle & Motor Agency Limited	a) Financial/ Taxation Skills b) Leadership/Operational Experience c) Board Service and Governance d) Strategic Planning/Risk Management e) Industry /Business Experience f) Global Business	Chairman & Managing Director

Details of familiarization programme for Independent Directors are available on the website of the Company and can be accessed through web link <https://walchand.com/wp-content/uploads/2019/04/Familiarisation-programme-for-ID.pdf>.

Board of Directors confirms that in the opinion of the Board of Directors, Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

#### **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 February 06, 2019. The said Code of Conduct is posted on the Website of the Company (www.walchandnagar.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 Managing Director and CEO is attached to this report.

#### **CEO/CFO Certification:**

As required under Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director & CEO and Chief Financial Officer of the Company have certified to the Board on the financial statements for the period ended March 31, 2020 and the same is attached to the Report.

### **(3) Audit Committee:**

#### **Brief description of Terms of Reference:**

The terms of reference of Audit Committee of the Company *inter-alia* includes the following:

- 1) oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2) Recommending to the Board the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company.
- 3) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval.
- 4) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 5) Review and monitor the auditor's independence and performance and effectiveness of audit process.
- 6) To approve transactions and subsequent modification(s) to the transactions of the company with related parties.
- 7) To scrutinize inter-corporate loans and investments of the Company.

#### **Composition and Attendance at meetings:**

As on March 31, 2020 Audit Committee of the Board comprises of 3 Non-Executive Directors namely Mr. Dilip J. Thakkar, Dr. Anil Kakodkar, and Mr. Chakor L. Doshi, out of which two are Independent Directors including Mr. Dilip J. Thakkar, the Chairman of the Audit Committee and the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been complied with. The Committee is authorized by the Board in the manner as envisaged under Regulation 18 (2) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Committee has been assigned task under Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Committee reviews the information as listed under Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

#### **Attendance of Directors at the Audit Committee Meeting held during the Financial Year under review:**

<b>Name of Director</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Mr. Dilip J. Thakkar	5	5
Dr. Anil Kakodkar	5	5
Mr. Chakor L Doshi	5	4

Five Audit Committee Meetings were held during the Financial Year 2019-20 on May 15, 2019; August 06, 2019; September 26, 2019; November 12, 2019 and February 07, 2020.

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 August 06, 2019.

Managing Director & CEO, Managing Director, Chief Financial Officer, Statutory Auditors and Chief Internal Auditor are the permanent invitee of the Audit Committee. Other members of the Senior Management have attended when invited to the meetings. The Cost Auditor is invited to attend the Meeting of the Audit Committee when the Cost Audit Report is placed before the Committee. 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:****Brief description of Terms of Reference:**

The terms of reference of Nomination & Remuneration Committee of the Company *inter-alia* includes the following:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Formulate criteria for evaluation of Independent Directors and the Board of Directors.
- To devise a policy on Board diversity.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance, against criteria laid down.
- To recommend to the Board all remuneration, in whatever form, payable to Senior Management.

**Composition and Attendance at meetings:**

As on March 31, 2020, Nomination & Remuneration Committee of the Board comprises of Mr. Chakor L. Doshi and two Independent Directors viz., Mr. Dilip J. Thakkar and Dr. Anil Kakodkar. Dr. Anil Kakodkar is the Chairman of the Committee. Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary acts as Secretary to the Nomination & Remuneration Committee.

<b>Attendance of Directors at the Nomination &amp; Remuneration Committee Meeting held during the Financial Year under review :</b>		
<b>Name of Director</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Dr. Anil Kakodkar	3	3
Mr. Dilip J. Thakkar	3	3
Mr. Chakor L. Doshi	3	3

Three Nomination & Remuneration Committee Meeting were held during the Financial Year 2019-20 on May 15, 2019; August 06, 2019 and February 07, 2020. The necessary quorum was present at the meeting.

**Performance evaluation criteria for Independent Directors:**

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration

Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

**Nomination & Remuneration Policy:** Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Nomination and Remuneration Policy was approved by the Board in its meeting held on February 06, 2019.

The Nomination and Remuneration policy is available on the website of the Company and the weblink for the same is <https://www.walchand.com/wp-content/uploads/2019/03/Nomination-Remuneration-Policy-Effective-From-April-1-2019.pdf>

Non-Executive Directors has not drawn 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 ₹ 26.50 Lakhs.

**Details of remuneration paid to Executive Directors:**

The details of remuneration paid / provided for Mr. G. K. Pillai for the Financial Year 2019-20 is as follows:

**Amount paid / payable (₹ in lakhs)**

<b>Details</b>	<b>Mr. G. K. Pillai Managing Director &amp; CEO</b>
Salary	87.04
Perquisites	4.40
Contribution to P.F. and Superannuation	--
Gratuity	--
Commission	--
<b>Total</b>	<b>91.44</b>

The term of Mr. G. K. Pillai as Managing Director & CEO expired on March 31, 2020.

The details of remuneration paid/provided for Mr. Chirag C. Doshi for the Financial Year 2019-20 is as follows:

**Amount paid / payable (₹ in lacs)**

<b>Details</b>	<b>Mr. Chirag C. Doshi Managing Director</b>
Salary	75.00
Perquisites	10.88
Contribution to P.F. and Superannuation	30.55
Gratuity	2.31
Commission	--
<b>Total</b>	<b>118.74</b>

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

Service Contract : Three Years  
Notice Period : Six Months.  
Severance fees : Not Applicable.  
Stock options : Not Applicable.

**(5) Stakeholders Relationship Committee:**

As per SEBI (LODR) (Amendment) Regulations, 2018, Role / Terms of Reference of the Stakeholder Relationship Committee was substituted by SEBI from April 01, 2019.

**Brief description of Terms of Reference:**

The terms of reference of Stakeholders Relationship Committee of the Company *inter-alia* includes the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**Composition and Attendance at meetings:**

As on March 31, 2020 Stakeholders Relationship Committee of the Board comprises of 3 Non-Executive Directors namely Mr. Chakor L. Doshi, Dr. Anil Kakodkar and Mr. Dilip J. Thakkar. Dr. Anil Kakodkar, Non-Executive Director is the Chairman of the Committee. As per SEBI (LODR) (Amendment) Regulations, 2018, amended with effect from April 01, 2019, the composition of the Committee meets the requirement of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary and Compliance Officer acts as a Secretary of the Committee Meeting.

Dr. Anil Kakodkar, Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting held on August 06, 2019.

During the Financial Year 2019-20, 3 complaint was received from shareholder and was resolved as per details given hereunder:

Sr No	Nature of Complaint	Pending as on 01.04.2019	Received during the Financial Year	Redressed during the Financial Year	Pending as on 31.03.2020
1	Non Receipt of Share Certificate (s)	0	1	1	0
2	Stock Exchanges	0	1	1	0
3	SEBI - Scores	0	1	1	0
	<b>TOTAL</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>

**Attendance of Directors at the Stakeholders Relationship Committee Meeting held during the Financial Year 2019-20 is 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 Financial Year 2019-20 under review, one Stakeholders Relationship Committee Meeting was held on May 15, 2019. 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 six more committees namely; Risk Management Committee, Finance Committee, Corporate Social Responsibility Committee, Committee of Independent Directors, Allotment Committee and Committee of Directors for Capital Issue. The composition, functions and attendance of members of the Committees are listed below:

**(7) Risk Management Committee:**

As on March 31, 2020 Risk Management Committee of the Board comprises of senior executives of the company namely Mr. G. K. Pillai, Managing Director & CEO; Mr. Chirag C. Doshi, Managing Director and Mr. Anil Vasant Gabhe, Chief Internal Auditor. Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary acts as Secretary of the Committee. As per SEBI (LODR) (Amendment) Regulations,

2018, constitution of Risk Management Committee is now made applicable to top 500 listed entities w.e.f. April 01, 2019, determined on the basis of market capitalization, as at the end of the immediately previous financial year. Hence, it is not mandatory for our Company to constitute Risk Management Committee. However, the Company has voluntarily constituted the Committee and the composition of the Committee meets the requirement of the Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Managing Director & CEO, is responsible for defining, implementing and review of risk management processes within WIL. The Chief Internal Auditor provides updates to the Board on key risks faced by the company and the relevant mitigation actions. Risk Management policy has been approved by the Board in the Meeting held on August 14, 2015 wherein all material Risks faced by the Company were identified and assessed. For each of the risks identified, corresponding controls were assessed and policies and procedures were put in place for monitoring, mitigating and reporting risk on a periodic basis.

The Risk Management Committee was re-constituted in the Board Meeting duly held on February 07, 2020, as Mr. G. K. Pillai ceased to be a Managing Director & CEO w.e.f. March 31, 2020, upon completion of his term as a Managing Director & CEO. Mr. Sandeep Jain, Chief Financial Officer was appointed as the Member of the Committee w.e.f. April 01, 2020.

During the Financial Year 2019-20 under review, no Risk Committee Meeting was held.

#### (8) 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.

#### Composition and Attendance at meetings:

As on March 31, 2020, Finance Committee of the Board comprises of three Directors viz. Mr. Chakor L. Doshi, Mr. Dilip J. Thakkar and Mr. Chirag C. Doshi. Mr. Dilip J. Thakkar is the Chairman of the Committee.

#### Attendance of Directors at the Finance Committee Meeting held during the Financial Year under review :

Name of Director	No. of Meetings held	No. of Meetings attended
Mr. Dilip J. Thakkar	1	1
Mr. Chakor L. Doshi	1	1
Mr. Chirag C. Doshi	1	1

During the Financial Year 2019-20 under review, one Finance Committee Meeting was held on May 15, 2019. 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.

#### (9) Corporate Social Responsibility Committee:

During the Year 2013-2014, the Board 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.

#### Composition and Attendance at meetings:

As on March 31, 2020 the members of the CSR Committee are Mrs. Rupal Vora, Mr. G. K. Pillai and Mr. Chirag C. Doshi. Mrs. Rupal Vora is the Chairperson of the Committee.

#### 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
*Mrs. Rupal Vora	0	0

During the Financial Year 2019-20 under review, one meeting of Corporate Social Responsibility was held on May 16, 2019. 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.

\*The CSR Committee was re-constituted in the Board Meeting duly held on November 12, 2019, as Mrs. Bhavna Doshi ceased to be a Director w.e.f. August 06, 2019, upon completion of her term as Independent Director. Mrs. Rupal Vora was appointed as the Chairperson of the Committee.

#### (10) Committee of Independent Directors:

Independent Directors Committee has been constituted as per the provisions of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the Financial Year 2019-20, the Independent Directors Meeting of the Company was held on May 21, 2019.

Independent Directors Meeting considered the performance of Independent / Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

#### Attendance of Directors at the Independent Directors Committee Meeting held during the Financial Year 2019-20 is 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. A. R. Gandhi	1	1
*Mrs. Bhavna Doshi	1	1
*Mrs. Rupal A. Vora	0	0

In the opinion of the Board the existing Independent Directors and those who is proposed to be re-appointed at the AGM, fulfill the conditions specified in the SEBI Listing Regulations and are Independent of the Management.

\*Mr. A. R. Gandhi and Mrs. Bhavna Doshi, ceased to be the Directors w.e.f. August 06, 2019 upon completion of their term as Independent Directors. The Board places on record its appreciation for their invaluable contribution and guidance. Mrs. Rupal Vora was appointed as an Additional Non-Executive Independent Director w.e.f. 07.08.2019.

#### (11) 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.

As on March 31, 2020 Allotment Committee comprises of three Directors viz. Mr. Dilip J. Thakkar, Mr. Chakor L. Doshi and Mr. Chirag C. Doshi. Mr. Dilip J. Thakkar is Chairman of the Committee.

During the Financial Year 2019-20 under review, no meeting of the Allotment Committee was held.

#### (12) 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").

As on March 31, 2020 Committee of Directors for Capital Issue comprises of three Directors viz. Mr. Chakor L. Doshi, Mr. Dilip J. Thakkar and Mr. Chirag C. Doshi. Mr. Dilip J. Thakkar is the Chairman of the Committee.

During the Financial Year 2019-20 under review no meeting of the Committee of Directors for Capital Issue was held.

#### (13) General Body meetings:

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

Year	Venue	Date	Time
April 2016- March 2017	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020	09.08.2017	04.00 p.m.
April 2017- March 2018	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020	14.08.2018	03.30 p.m.
April 2018- March 2019	Walchand Hirachand Hall, IMC Building, Churchgate, Mumbai – 400 020	06.08.2019	04.00 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:

###### ➤ April 2016 – March 2017

- Resolution Number 4, Resolution under Section 149, 152 read with Schedule IV to accord consent of Shareholders of the Company for Appointment of Mr. Dilip J. Thakkar (DIN:00007339), as an Independent Director.
- Resolution Number 6, Resolution under Section 196, 197 of Companies Act, 2013, read with Schedule V to accord consent of Shareholders of the Company for appointment of Mr. G. K. Pillai, Managing Director & Chief Executive Officer of the Company for a period of three years w.e.f. April 01, 2017.
- Resolution Number 7, Resolution under Section 196, 197 of the Companies Act 2013, read with Schedule V to accord consent of the

shareholders of the Company for Appointment of Mr. Chirag C. Doshi, Managing Director of the company for a period of three years w.e.f. April 01, 2017.

- April 2017 – March 2018
  - a) Resolution Number 3, Resolution under Section 188, 197 of the Companies Act, 2013, to accord consent of the Shareholders of the Company for renewing the consultancy contract of Mr. Chakor L. Doshi for a period of two years w.e.f. May 01, 2018 to April 30, 2020.
- April 2018 – March 2019
  - a) Resolution Number 3, Resolution under Section 149, 152 read with Schedule IV to accord consent of Shareholders of the Company for Appointment of Dr. Anil Kakodkar (DIN:03057596), as an Independent Director.

All resolutions including special resolutions were passed by the members of the Company.

**(B) Special resolution passed through Postal Ballot during the F.Y. 2019-2020, the person who conducted the postal ballot exercise and details of the Voting Pattern: N.A.**

**(C) Details of Special Resolution proposed to be conducted through Postal Ballot:**

No Special Resolution is proposed to be conducted through postal ballot at the AGM scheduled to be held on Friday, August 14, 2020.

**(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 Lakshadweep in Marathi News papers from Mumbai.
- ii) The quarterly, half yearly and annual results, shareholding pattern, Corporate Governance Report and other compliances are also posted on the website of the Company ([www.walchand.com](http://www.walchand.com)). The Shareholding Pattern, Corporate Governance Report,

Quarterly, Half Yearly and Annual Results and 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 has been sending various communications including the Annual Report, postal Ballot by email to those shareholders whose email addresses were made available to the depositories or the Registrar and Transfer Agents since Financial Year 2013-14 and continuing the same. Physical copies are being sent to only those shareholders whose email addresses are 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 'B'** to the Directors' Report.
- vi) Presentations were made to institutional investors or to the analysts during the year and the same is available on the website of the Company and the link for the same is as below-<https://www.walchand.com/investors/investor-information/>
- 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:**

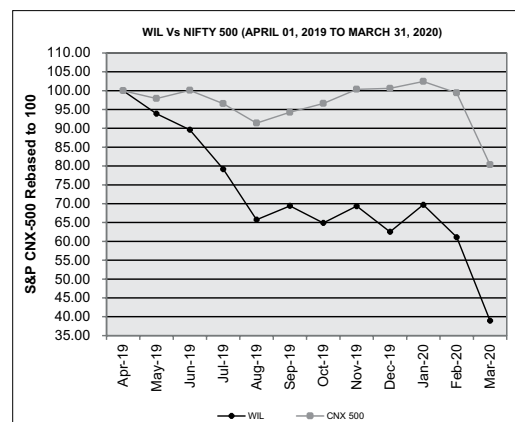
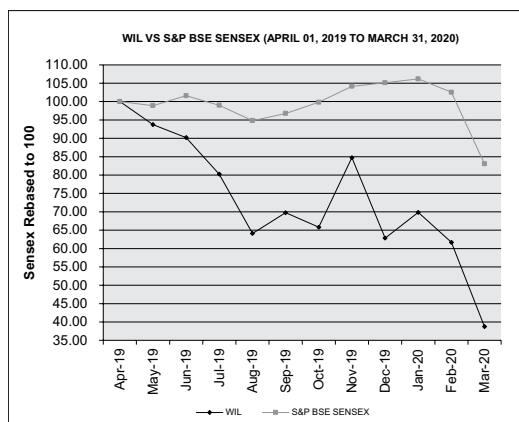
- i) **AGM : Date, Time & Venue** : Friday, August 14, 2020 at 4.00 p.m.
- The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
- ii) **Financial Calendar** : April - March
- The results for every Quarter 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii) **Date of Book Closure** : N. A. for this year
- iv) **Dividend payment date** : N. A.
- v) **Listing on Stock Exchanges** : BSE Ltd.
- P. J. Towers, Dalal Street, Mumbai – 400 001.
- National Stock Exchange of India Ltd.
- Plot No. C/1, G Block,
- Bandra Kurla Complex, Bandra (East)
- Mumbai 400 051
- The Listing fees for the year 2020-2021 have been paid to both the Stock Exchanges.
- vi) **Stock Code** : 507410 (BSE) and WALCHANNAG (NSE)
- vii) **Market Price Data : High, Low during each month in last financial Year** : BSE/NSE

(Amount in ₹)

Month	BSE		S&P BSE SENSEX	NSE		CNX-500
	High	Low	Closing	High	Low	Closing
Apr-19	108.45	84.10	39031.55	108.70	84.30	9664.3
May-19	102.50	78.00	39714.2	102.90	78.30	9805.05
Jun-19	97.95	75.75	39394.64	97.10	75.85	9657.95
Jul-19	90.00	64.50	37481.12	88.50	64.30	9044.95
Aug-19	75.45	48.00	37332.79	75.70	51.20	8977.55
Sep-19	81.40	52.90	38667.33	81.30	52.70	9340.9
Oct-19	71.60	55.10	40129.05	70.00	55.25	9689.65
Nov-19	71.80	91.35	40793.81	71.80	62.05	9813.65
Dec-19	64.70	56.30	41253.74	64.40	56.30	9872.55
Jan-20	76.30	58.20	40723.49	76.45	58.10	9861.45
Feb-20	69.30	49.50	38297.29	68.35	49.60	9236.05
Mar-20	52.45	22.15	29468.49	52.70	22.50	6996.75

**viii) Performance in comparison to S&P BSE SENSEX and CNX-500:**

The Chart shows the performance of the Company's Shares at BSE and NSE as compared to BSE SENSEX and S & P CNX - 500 during the Financial Year 2019-20:



**ix) Registrar and Share Transfer Agents : M/s. Link Intime India Pvt. Ltd.**

Unit: Walchandnagar Industries Ltd.  
C 101, 247 Park,  
L B S Marg, Vikhroli West,  
Mumbai 400 083.  
Ph. No.: (022) 49186270  
Fax No.: (022) 49186060  
e-mail id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**x) Share Transfer System**

: In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, securities can be transferred only in dematerialized form w.e.f. April 01, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shareholders who desire to demat their shares can get in touch with any Depository Participant having registration with SEBI to open a demat account and follow the procedure for dematerialization of share.

**xi) (a) Shareholding Pattern as on March 31, 2020**

Category	No. of Shares	%
Promoters & Directors, Directors Relatives/HUF & Group Companies/ Group Trusts	20938613	55.00
Mutual Funds & Unit Trust of India	4500	0.01
Banks, Financial Institutions, State Government	268770	0.71
Bodies Corporate & Clearing Members	1169527	3.07
NRI/OCB/FII/FN/NBFC's	236457	0.62
Public (Resident Indians / Trusts/ HUF/Office bearers)	15019054	39.45
Investor Education & Protection Fund	433284	1.14
<b>Total</b>	<b>38070205</b>	<b>100.00</b>

(b) **Distribution of shareholding as :  
on March 31, 2020**

<b>Shareholding of nominal value of ₹</b>	<b>Number of Shareholders</b>	<b>% to Total</b>	<b>Amount in ₹</b>	<b>% to Total</b>
1 to 5000	62002	98.6727	20920996	27.4769
5001 to 10000	528	0.8403	3826654	5.0258
10001 to 20000	166	0.2642	2403222	3.1563
20001 to 30000	63	0.1003	1593346	2.0926
30001 to 40000	29	0.0462	1022600	1.3430
40001 to 50000	8	0.0127	365848	0.4805
50001 to 100000	23	0.0366	1591312	2.0900
100001 to onwards	17	0.0271	44416432	58.3349
<b>TOTAL</b>	<b>62836</b>	<b>100.00</b>	<b>76140410</b>	<b>100.00</b>

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. 26<sup>th</sup> December, 2000 and Company's Registrar & Transfer Agents have connectivity with NSDL & CDSL. The ISIN No. is INE711A01022. As on March 31, 2020, 3,74,88,190 equity shares representing 98.47% 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) **Outstanding GDRs / ADRs / Warrants or any other Convertible Instruments, Conversion date and likely impact on equity**

: No instrument is outstanding for allotment or conversion.

xiv) **Commodity Price Risk or Foreign Exchange Risk And Hedging Activities**

: Please refer Management Discussion and Analysis Report for details.

xv) **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

xvi) **Address for correspondence**

a) **For Correspondence relating to shares**

: M/s. Link Intime India Pvt. Ltd.  
Unit: Walchandnagar Industries Ltd.,  
C 101, 247 Park,  
L. B. S. Marg, Vikhroli West,  
Mumbai 400 083.  
Ph. No.: (022) 49186270  
Fax No.: (022) 49186060  
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  
Ph. No.: (022) 23612195/96/97  
Fax No.: (022) 23634527  
Email: investors@walchand.com;  
giriraj.agrawal@walchand.com



**xvii) List of Credit Ratings obtained by the Company:****1. ACUITE RATINGS & RESEARCH LIMITED :** The following is the latest credit rating of the Company:

	<b>Long Term Instruments</b>	<b>Short Term Instruments</b>
Total Rated Quantum (₹ in Cr.)	220.00	715.00
Quantum of Enhancement (₹ in Cr.)	Not Applicable	Not Applicable
Rating	ACUITE BB	ACUITE A4+
Outlook	Negative	Not Applicable
Most recent Rating Action	Downgraded	Downgraded
Date of most recent Rating Action	November 29, 2019	November 29, 2019
Rating Watch	Not Applicable	Not Applicable

**2. CARE RATINGS LIMITED**

: The Credit Rating Agency on the request of the Company and as per the NOC of the Lenders, has withdrawn the outstanding ratings of 'CARE B; Stable / CARE A4' (Single B; Outlook: Stable; A Four) assigned to the Bank facilities with effect from February 21, 2020.

**xviii) Transfer of Unclaimed Dividends**

: Under the Companies Act, 2013, Dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government. The members who have a claim on above dividends may claim the same from IEPF Authority. No claims shall lie against the Company in respect of the dividend so transferred.

Separate intimation has been given in the notice convening 111<sup>th</sup> Annual General Meeting, a part of this 111<sup>th</sup> 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 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083 for encashing the Unclaimed Dividend for the financial year 2012-2013 and for subsequent years standing to the credit of their account.

The details of Unclaimed amount of Dividends are available on the website of the Company.

**xix) Transfer of underlying shares into Investor Education and Protection Fund (IEPF) in cases where Unclaimed Dividends have been transferred to IEPF for a consecutive period of 7 years**

: In terms of Section 125 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the shares in respect of which Dividends have remained Unclaimed for a period of 7 consecutive years to the IEPF Account established by the Central Government. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority restraining any transfer of the shares. The Company sends periodical reminder to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. As required under the said Rules, the Company has published a notice in this regard in the newspapers inviting the member's attention to the aforesaid rules. The details of Unclaimed Dividends and shareholders whose shares are liable to be transferred to the IEPF Authority are uploaded on the Company's website <https://www.walchand.com/investors/investor-information/>

The members who have a claim on the dividends and the shares which are transferred to IEPF may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

xx) **Unclaimed Equity Shares to Unclaimed Suspense Account**

: Members are hereby informed that as per Regulation 39 (4) read with Schedule VI of the SEBI Regulations, 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 transferred the balance of unclaimed shares to the Unclaimed Suspense Account.

xxi) **Company Website**

: The Company has its website namely [www.walchand.com](http://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, Shareholding patterns, Corporate Governance Report and other communications are updated on the website of the Company.

xxii) **Prevention of Insider Trading**

: Pursuant to provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has formulated the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by Insiders / Designated Persons and immediate relative of Designated Persons and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which allow the formulation of a trading plan subject to certain conditions and require pre clearance for dealing in the Company's shares. The Company's policy also prohibits the purchase and / or sale of Company's shares by an insider while in possession of unpublished price sensitive information of the company and also during the certain prohibited periods.

**(16) Other Disclosures:**

i) *Disclosures 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 in detail 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 and are not materially significant.

As required by the IND AS-24, the details of related party transactions are given in Note No. 45/46 to the notes on financial statements for the Financial Year 2019-20, 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:*

Nil in last three years.

However following matter is still pending for disposal:

In the year 2015 the Adjudicating Officer of SEBI has passed an order imposing penalties of ₹ 21.25 Lakhs against all promoter entities of BCMA some of them are promoter entity of Walchandnagar Industries Limited also, with reference to purchase of shares of BCMA by Walchand Kamdhenu Commercials Pvt. Ltd. This matter is currently pending in Supreme Court of India.

iv) *Vigil Mechanism / Whistle Blower Policy:*

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy to report genuine concerns or grievances. Protected disclosures can be made by a whistle blower through an e-mail, or telephone line or a letter to the Chairman of the Audit Committee or the Company Secretary of the Company or any member of the Audit Committee. The Policy on vigil mechanism /whistle blower policy may be accessed on the Company's website at the link <https://walchand.com/wp-content/uploads/2019/03/Whistle-Blower-Policy-Effective-From-April-1-2019-.pdf>.

No personnel of the Company has been denied access to the Audit Committee.

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

The Company is in Compliance with all mandatory requirements of Listing Regulations. In addition Company has also adopted the following non-mandatory requirements to the extent mentioned below:

#### AUDIT QUALIFICATION

The Company is in the regime of unmodified opinions on financial statements.

#### REPORTING OF INTERNAL AUDITOR

The Internal Auditor directly reports to the Audit Committee.

- vi) The Company's policy in dealing with Material Subsidiaries is placed on the website and can be accessed through weblink <https://walchand.com/wp-content/uploads/2019/03/Policy-on-Material-Subsidiary-Effective-From-April-1-2019-.pdf>.
- vii) The Company's policy in dealing with Related Party Transactions is placed on the website and can be accessed through weblink <https://walchand.com/wp-content/uploads/2019/03/Related-Party-Transaction-Policy-Effective-From-April-1-2019-.pdf>.
- viii) Certificate as required under Part C of Schedule V of Listing Regulations, have been received from M/s. V. N. Deodhar & Co. (FCS NO.1880 & COP No. 898), Practicing Company Secretaries, that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority, is annexed to the Report.
- ix) Total Fees for all services paid by the Listed entity to the statutory auditor :

Total fees for financial Year 2019-20, for all services as mentioned below, was paid by the Company to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

PAYMENT TO AUDITORS	Basic	GST	Gross
Audit Fees	2,000,000.00	360,000.00	2,360,000.00
Tax Audit Fees	250,000.00	45,000.00	295,000.00
In Other Capacity (Certification)	41,500.00	7,470.00	48,970.00
Reimbursement of out of pocket expenses	97,326.36	-	97,326.36
<b>Total</b>	<b>2,388,826.36</b>	<b>412,470.00</b>	<b>2,801,296.36</b>

- x) *Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:*

- number of complaints filed during the financial year : Nil
- number of complaints disposed of during the financial year : Nil
- number of complaints pending as on end of the financial year : Nil

- xi) *Corporate Identity Number (CIN):*

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

- xii) *Compliance Certificate from Auditors on Corporate Governance:*

Certificate from Statutory auditors M/s. Jayesh Sanghrajka & Co, Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report.

- xiii) *Reconciliation of Share Capital Audit report (formerly known as Secretarial Audit Report) and Certificate of Compliance with Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:*

The SEBI vide Circular No. CIR/MRD/DP/30/2010 dated 6<sup>th</sup> 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 Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and placed before the Board of Directors.

- xiv) *Compliance of Corporate Governance Requirements Specified in Regulation 17 To 27 and Regulation 46 (2) (B) to (I) of Listing Regulations:*

Your Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub- regulation (2) of regulation 46 of the Listing Regulations.

- (xv) *Disclosures with respect to demat suspense account/ unclaimed suspense account (Unclaimed Shares):*

In terms of Regulation 39 of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account. The disclosure as required under schedule V of the Listing Regulations is given below:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e 1<sup>st</sup> April, 2019 - 77 Shareholders and 16395 Shares.
- (b) Number of shareholders who approached Company for transfer of shares from suspense account during the year - NIL.
- (c) Number of shareholders to whom shares were transferred from suspense account during the year – NIL.
- (d) Number of shares transferred to IEPF - 22 shareholders and 4455 shares.
- (e) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31<sup>st</sup> March, 2020 - 55 Shareholders and 11940 Shares.
- (f) Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares - Yes.

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C Clause 10 (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

To,

The Members,

**WALCHANDNAGAR INDUSTRIES LIMITED**

3, Walchand Terraces,

Opp. Air conditioned Market,

Tardeo Road,

Mumbai-400 034.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Walchandnagar Industries Limited having CIN L74999MH1908PLC000291 and having Registered Office at 3, Walchand Terraces, Opp. Air conditioned Market, Tardeo Road, Mumbai-400 034 (hereinafter referred to as 'the Company') produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C – sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
01	MR. CHAKOR LALCHAND DOSHI	00210949	15/05/1979
02	MR. DILIP JAYANTILAL THAKKAR	00007339	10/03/2003
03	DR. ANIL PURUSHOTTAM KAKODKAR	03057596	27/12/2010
04	MRS. RUPAL ANAND VORA	07096253	07/08/2019
05	MR. GOPI KUMAR PILLAI	01537184	25/11/2012
06	MR. CHIRAG CHAKOR DOSHI	00181291	25/11/2007

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. N. DEODHAR & CO.,**  
**COMPANY SECRETARIES**

**V. N. DEODHAR**  
**PROP.**

**FCS NO.1880**

**C.P. No. 898**

**UDIN: F001880B000342165**

**Place: Mumbai**

**Date: June 15, 2020**

## DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

Compliance of Code of Conduct for Directors and Senior Management Personnel pursuant to amended provision of Regulation 17 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company on 1<sup>st</sup> March, 2005 and the same has been revised in the Board Meeting held on February 06, 2019. 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 March 31, 2020.

Date: 26-06-2020

**Chirag C. Doshi**  
Managing Director & CEO

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF

**Walchandnagar Industries Limited**

We have examined the compliance of conditions of Corporate Governance as stipulated at Para C of Schedule V in terms of regulations 34 (3) and 53 (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Regulations') and the listing agreement of Walchandnagar Industries Limited with the stock exchanges for the year ended March 31, 2020.

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 Regulations.

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 Jayesh Sanghrajka & Co. LLP.**  
Chartered Accountants  
Registration No. 104184W

**Ashish Sheth**  
Designated Partner  
Membership No. 107162  
UDIN : 20107162AAAAAH1999

Place: Mumbai  
Dated: 26-06-2020

## ANNEXURE 'D' TO THE DIRECTORS' REPORT

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

#### (A) CONSERVATION OF ENERGY

##### (a) Energy Conservation Measures Taken:

- 1) Reconditioning and up-gradation LPG Furnace 65 Ton, Reduction In heat loss, improvement in efficiency of LPG Furnace, achieve uniformity in temperatures within +/-5 deg. Also providing heat recovery unit (recuperator) to save energy.
- 2) Reconditioning of Carburizing furnace is in progress by replacement of refractory bricks and heating coils, Reduction In heat loss, improvement in efficiency of carburizing furnace in heat treatment section and resulting in reduction of power consumption of furnace.
- 3) VFD for spindle motor of CVBM-400 VTL to reduce power consumption of machine by 40%.

##### (b) Energy Conservation Measures Proposed:

- 1) By using solar power, study of feasibility of the project is in progress.
- 2) Overhauling of screw element of GA90 screw compressor to improve efficiency.
- 3) Westerwork furnace up-gradation for improvement in efficiency.

##### (c) Capital Investments in Energy Conservation Equipment's:

During the year Capital Investment of ₹ 189.95 lakh was made for up-gradation and re-conditioning of equipment.

#### (B) TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

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

- Development of welding procedures & fabrication process for Monel material.
- Development of machining process for higher thickness 15CDV6 material.

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

- Ability to process critical jobs related to Defence & Nuclear sector.

##### (3) Future Plan of Action:

- Development of 35Mt Mountain Foot Bridge
- Development of Bi junction welding for nuclear application

##### Expenditure on R&D -

₹ In Lakhs

Capital (Development Expenditure)	0.00
Recurring	12.41
Total	12.41
Total R&D Expenditure Percentage to turnover (%)	0.04%

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

##### (5) Technology absorption, adaptation and innovations:

###### (a) Efforts in brief made towards technology absorptions:

- Acquired the technology and got the license for setting up "GAMA Radiation Processing Plant" from BARC, Mumbai.
- Continuous monitoring of technology trends.
- Continuous interaction & exchange of information.
- Development of new product for VSSC.

###### (b) Benefits derived as a result of above efforts:

- Setting up GAMA Radiation Processing plant for disinfections of grains, cereals and pulses.
- Improvement in manufacturing methods and quality standards.
- Enhancing engineering skills.
- Development of energy efficient, cost effective & high performance engineering products.
- Obtaining more order in future.

#### (C) FOREIGN EXCHANGE EARNING AND OUTGO :

Foreign exchange used and earned:

Earnings in Foreign Exchange	₹ 1304 Lakhs
Foreign Exchange Outgo	₹ 3597 Lakhs

## ANNEXURE 'E' TO THE DIRECTORS REPORT

### Statement of Disclosure of Remuneration under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the Financial Year from April 01, 2019 to March 31, 2020, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year from April 01, 2019 to March 31, 2020, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director / KMP for the Financial Year 2019-20	Remuneration of Director / KMP for the Financial Year 2019-20	% increase in Remuneration	Ratio of Remuneration of each Director to the median remuneration of employees
(i)	(ii)	(iii)	(iv)	(v)
1.	Mr. G. K. Pillai, Managing Director & CEO	91,43,592	*	31.05:1
2.	Mr. Chirag C. Doshi, Managing Director	1,18,73,823	*	40.32:1
3.	Mr. Sandeep Jain, Chief Financial Officer (w.e.f May 22, 2019)	56,75,602		-
4.	Mr. G. S. Agrawal, Vice President (Legal & Taxation) & Company Secretary	37,88,579		-

\* The terms of remuneration remains same as approved by the Members of the Company hence there is no increase in the remuneration.

# There is no increase in the remuneration during the year under review.

In the Financial Year, there was 8.10% increase in the median remuneration of employees;

There were 1885 permanent employees on the rolls of Company as on March 31, 2020;

#### Average percentile increase made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration:

The aggregate remuneration of employees excluding Whole time Directors (WTD) and other Key Managerial Personnel (KMP) remained largely stable for the current year over the previous scale based on 12 months average basis due to rationalization of our manpower during the Financial Year. Some revision in remuneration of Employees were awarded based on performance appraisal and to meet the inflation. Further there was no increase in the remuneration of WTD and remains same as approved by the Shareholders as minimum remuneration in case of loss. Similarly, there was no increase in the remuneration of other KMPs due to loss in the Financial Year.



## ANNEXURE 'F' TO THE DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**WALCHANDNAGAR INDUSTRIES LIMITED**  
3, Walchand Terraces  
Opp. Air conditioned Market,  
Tardeo Road,  
Mumbai-400 034.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Walchandnagar Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Walchandnagar Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Walchandnagar Industries Limited ("the Company") for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period),**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period),**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period),**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period),**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period) and**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period).**
- (vi) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws

applicable specifically to the Company.

- a) The Indian Boiler Act, 1923
- b) The Explosives Act, 1884
- c) The Environment (Protection) Act, 1986
- d) The Water (Prevention and Control of Pollution) Act, 1974
- e) The Air (Prevention and Control of Pollution) Act, 1981

We have been informed that the compliance of the above laws are monitored on monthly basis by the Compliance officer/ Chief Internal Auditor and necessary action is initiated for non-compliance, if any. Additionally, we have been informed that a status report signed by the Managing Director & CEO, Chief Financial Officer and the Compliance Officer/ Chief Internal Auditor on compliance of various statutes is submitted to the Board at its every meeting.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, and
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except price sensitive information was sent two days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committee of the Board as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **V. N. DEODHAR & CO.,**  
**COMPANY SECRETARIES**

**V. N. DEODHAR**  
**PROP.**

**FCS NO.1880**

**C.P. No. 898**

**UDIN: F001880B000384405**

**Place: Mumbai**

**Date: June 26, 2020**

This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this Report.

**Annexure A**

To,

The Members,

Walchandnagar Industries Limited,

Our Secretarial Audit Report of even date for the Financial Year ended March 31, 2020 is to be read along with this letter.

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of Laws, Rules & Regulations and happening of events, etc.
5. The Compliance of provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **V. N. DEODHAR & CO.,**  
**COMPANY SECRETARIES**

**V. N. DEODHAR**  
**PROP.**

**FCS NO.1880**

**C.P. No. 898**

**UDIN: F001880B000384405**

**Place: Mumbai**

**Date: June 26, 2020**

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**WALCHANDNAGAR INDUSTRIES LIMITED**

**Report on the Audit of the Financial Statements**

### Opinion

We have audited the accompanying financial statements of **WALCHANDNAGAR INDUSTRIES LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the independent auditor of the Company's division located in Ethiopia.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, whereof most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- a. Expected credit loss on trade receivables is measured through loss allowance. The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. This area required significant attention since there was a significant amount of management estimates.

We had detailed discussion with respective business heads about the method of estimates. We verified details of

Liquidated Damages charged by clients and total sales for the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2020 which were used by the management in their analyses of historical credit loss experience. We also verified the contract documents, correspondences with client pertaining to projects where specific loss provisioning was made. Management estimate is based on such forward information and historical data to derive division-wise provisioning values.

- b. Calculation for percentage completion for revenue for projects operating over time under IND AS 115. This area has significant quantum of estimates in calculating Cost to Complete. This area required significant attention since there was a significant amount of estimates.

Management has prepared profitability statements for all the projects which are operating over time as per IND AS 115. We verified total contract values from Signed Contract with customers, total revenue billed with invoices submitted to clients. The company has adopted Input Method for arriving at percentage of completion method. We verified total Cost incurred for each project as per books of accounts, total Cost to Complete each project from Budget as reviewed by projects heads on every reporting date. It was verified that the cost for completing balance work is reviewed and revised wherever necessary based on current scenario and future expectations.

- c. IND AS 115 requires variable consideration in form of Liquidated Damages to be recognized either by expected value or most likely value. The Company has adopted expected value by deferring revenue against liquidated damages of all the projects for which contractual delivery date have expired but contractual obligation not met. This area of calculation of deferred revenue due to implication of liquidated damages for the projects required significant auditor attention since there was a significant amount of estimation.

We had detailed discussion with respective business heads about the method of estimates of expected Liquidated Damages. List of projects for which contractual due date has expired and committed extent of work is not completed were reviewed. We verified details of Liquidated Damages charged by clients and total sales for the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2020 which were used by the management in their analyses of historical experience. We also verified the contract documents, correspondence, if any with client pertaining to projects. Based on such estimation and past experience, expected Liquidated Damages were arrived at and adjusted from Revenue.

- d. Balance confirmation of Trade payables and Trade receivables could not be received due to lockdown for COVID 19 pandemic. Further, management has informed us to avoid call for balance confirmation in case of certain trade receivables due to the fact that they operate in sensitive areas

such as nuclear, defense, aerospace and missiles wherein the customers follow confidentiality norms from national interest point of view.

We undertook alternative procedures to verify balances of certain trade receivables and payables on sample basis. In case of accounts receivables, we examined correspondences after reporting date, certain sales transactions documentation near to year end and subsequent receipts from such party. In case of accounts payable, we examined correspondences after reporting date, certain purchases transactions documentation near to year end and subsequent payment to such party.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement,

whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or,

if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Emphasis of Matter

We draw attention to the following matters in Notes to Financial Statements:

- a. Refer Note 54 which mentions about valuation of work-in-progress inventory of cancelled / put on hold orders amounting to Rs. 2194.21 Lakhs on account of orders which have been cancelled/put on hold by various clients. The Company contends that this stock will either be liquidated or diverted to other projects without any loss arising therefrom.

Our report is not modified in respect of this matter.

#### Other Matter

We did not audit the financial statements / information of Ethiopia division included in the financial statements of the Company whose

financial statements / financial information reflect total assets of Rs. 407.33 lakhs and total liabilities of Rs. 353.82 lakhs as at March 31, 2020 and the total revenue of Rs. 323.59 and total expenses of Rs. 756.44 Lakhs for the year ended on that date. The financial statements / information of this division have been audited by the independent auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of such division, is based solely on the report of such auditor.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from overseas division not visited by us.
  - c. The reports on the accounts of the overseas Ethiopia division of the Company audited by independent auditor have been sent to us and have been properly dealt with by us in preparing this report.
  - d. The Balance Sheet, the Statement of Profit and loss, changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the division not visited by us.
  - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - f. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 50 to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 104184W/W100075

**Ashish Sheth**

Designated Partner

Membership Number: 107162

Place: Mumbai

Date: June 26, 2020

UDIN: 20107162AAAAAG4790

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of WALCHANDNAGAR INDUSTRIES LIMITED of even date)**

- i. In respect of the Company's 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 program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except in respect of land Survey Nos. 317/1B, 303 A/2 and 337, whose records are not available.
- ii. The Management has conducted physical verification of inventory between 28/04/2020 to 30/04/2020. According to the information and explanations given to us, no material discrepancies were noticed on such verification. Since our attendance was not possible due to lockdown restrictions, we have relied upon management representation of physical verification of inventory.
- iii. The Company has not granted any secured or unsecured loans to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013. Therefore, clause 3 (iii) of the said Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the company doesn't have any loans, investments, guarantee or security to which the provisions of section 185 and 186 of the Companies Act 2013 apply.
- v. The Company has not accepted any deposits during the year to which the provisions of section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of deposits) Rules, 2014 apply. According to the information and explanation given to us no order has been received from Company Law Board, National Company Law Tribunal or Reserve Bank of India or any court or tribunal by the Company.
- vi. We have broadly reviewed the cost records maintained by the Company specified by the Central Government under section 148(1) of the Companies Act, 2013 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.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, and other material statutory dues applicable to it with the appropriate authorities
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:



Sr. No	Name of Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which amount relates	From where the dispute is pending
1	Maharashtra Land Revenue Code	NA Tax (₹ 20 lakhs paid under protest)	86.61	1982 to 2003	Tehsildar, Indapur
		NA Tax	16.18		
		NA Tax	58.58	1994 to 2003	
2	Pune Municipal Corporation	Municipal Taxes-Determination of Annual Rateable Value	99.02	2008-09 to 2012-13	Court of Small Causes, Pune
3	Central Sales Tax, 1956	The exemption from tax for transit sale under section 6(2) (b) is denied. (₹ 30 lakhs paid under protest)	159.83	2005-06	Sales Tax (Appellate Tribunal), Mumbai
4	Maharashtra Vat Act, 2002 / Central Sales Tax, 1956	Demand due to differences in the amount of "C" forms/ other miscellaneous. (Rs. 36.50 lakhs paid under protest).	1,080.53	2013-14	Commissioner (Appeals), Sales Tax- Pune
5	Central Sales Tax, 1956	Demand due to differences in the amount of "C" "e1", "H" forms/ other miscellaneous. (Rs. 233.89 lakhs paid under protest).	1,087.02	2011-12	Joint Commissioner of Sales Tax, Pune
6	Customs Act, 1962	Demand due to customs valuation issues	64.50	July, 2008 till date	Honorable High Court - Madras
7	Service Tax	Demand on value addition of bought out items. (Rs. 28.76 lakhs paid under protest).	362.65	2006-10	CESTAT, Kolkata
8	Employees Provident Fund	EPF-Demand from EPF authorities	50.68	2006-07	Honorable High Court - Mumbai
9	Service Tax	Demand in respect of services provided (Export Services) outside India TENDAHO SUGER FACTORY, Ethiopia. Rs. 50.05 lakhs paid under protest.	1,334.66	March 2013 to Dec. 2015	Appellate Commissioner, Pune
10	Central Sales Tax, 1956	Demand due to differences in the amount of "C" forms/ other miscellaneous. Rs. 29.60 lakhs paid under protest. Rs. 11.13 lakhs paid under Amnesty Scheme.	224.93	2014-15	Appeal before The Joint Commissioner of Sales Tax, Pune. Applied under Amnesty Scheme.
11	Central Sales Tax, 1956	Demand due to AO not considered One H Form for Rs. 30,75,88,300/-.	918.11	2015-16	Deputy Commissioner of State Tax

- viii. To the best of our knowledge and according to the information and explanations given to us, the Company has not defaulted in repayment of any loans or borrowings from banks, financial institutions and dues from debenture holders. There are no loans or borrowings from Government.
- ix. The company has not raised money by way of Initial Public Offer or further public offer (including debt instruments) during the year. In respect of term loans taken by the Company, in our opinion and according to the information and explanations given to us, the same have been applied for the purposes for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 104184W/W100075

**Ashish Sheth**

Designated Partner

Membership Number: 107162

Place: Mumbai

Date: June 26, 2020

UDIN: 20107162AAAAAG4790

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of WALCHANDNAGAR INDUSTRIES LIMITED of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **WALCHANDNAGAR INDUSTRIES LIMITED (“the Company”)** as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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 or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 104184W/W100075

#### **Ashish Sheth**

Designated Partner

Membership Number: 107162

Place: Mumbai

Date: June 26, 2020

UDIN: 20107162AAAAAG4790

## BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	₹ in Lakhs	
		As at March 31, 2020	March 31, 2019
<b>ASSETS</b>			
(a) Property, Plant and Equipment	3	33,120	34,215
(b) Capital Work-in-Progress		855	480
(c) Investment Property	4	189	189
(d) Intangible Assets	5	98	106
(e) Financial Assets			
(i) Investments	6	8	148
(ii) Trade Receivables	7	5,646	9,898
(iii) Other Financial Assets	8	269	592
(f) Non Current Tax Asset (Net)		1,304	831
(g) Other Non-Current Assets	9	4,587	4,908
<b>Total Non - Current Assets</b>		<b>46,076</b>	<b>51,367</b>
<b>Current Assets</b>			
(a) Inventories	10	23,493	19,476
(b) Financial Assets			
(i) Investments	11	-	170
(ii) Trade Receivables	12	19,867	23,043
(iii) Cash and Cash Equivalents	13	321	2,677
(iv) Other Balances with Banks	14	3,986	6,305
(v) Other Financial Assets	15	5,200	4,115
c) Other Current Assets	16	5,670	6,477
<b>Total Current Assets</b>		<b>58,537</b>	<b>62,263</b>
<b>Asset held for sale</b>		<b>-</b>	<b>2,978</b>
<b>Total Assets</b>		<b>104,613</b>	<b>116,608</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	761	761
(b) Other Equity	18	26,147	32,773
Equity Attributable to Owners of the Company		<b>26,908</b>	<b>33,534</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	15,912	20,220
(ii) Other Financial Liabilities	20	3,287	2,619
(b) Provisions	21	1,300	1,198
(c) Other Non-Current Liabilities	22	6,841	3,728
<b>Total Non - Current Liabilities</b>		<b>27,340</b>	<b>27,765</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	22,149	21,665
(ii) Trade Payables	24		
(A) Total outstanding dues of micro enterprises and small enterprises		529	771
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.		8,195	8,692
(iii) Other Financial Liabilities	25	6,341	7,494
(b) Provisions	26	363	335
(c) Other Current Liabilities	27	12,788	16,352
<b>Total Current Liabilities</b>		<b>50,365</b>	<b>55,309</b>
<b>Total Equity and Liabilities</b>		<b>104,613</b>	<b>116,608</b>

See accompanying notes forming part of the financial statements

### As per our report attached

For **Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

FRN.: 104184W/W100075

**Ashish Sheth**

Designated Partner

Membership No.: 107162

### For Walchandnagar Industries Limited

**Chirag C. Doshi**

Managing Director & CEO

DIN- 00181291

**Sandeep Jain**

Chief Financial Officer

**Dilip J. Thakkar**

Director

DIN- 00007339

**G. S. Agrawal**

Vice President (Legal & Taxation)  
& Company Secretary

Date: June 26, 2020

Place: Mumbai

Date: June 26, 2020

Place: Mumbai

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	Note No.	₹ in Lakhs except Earnings per share	
		For the year ended	
		March 31, 2020	March 31, 2019
I Revenue from Operations	28	29,805	36,405
II Other Income	29	2,017	2,492
III <b>Total Revenue (I +II)</b>		<b>31,822</b>	<b>38,897</b>
IV <b>EXPENSES</b>			
Cost of Materials consumed	30	13,990	14,724
Sub-contracting expenses, Processing charges and Other Direct Costs	31	2,001	3,004
Changes in inventories of finished goods and work-in-progress	32	(4,273)	(1,755)
Employee Benefits Expense	33	8,366	8,441
Finance Costs	34	8,652	8,051
Depreciation and Amortisation Expense	35	2,300	2,703
Other Expenses	36	6,353	3,943
<b>Total Expenses</b>		<b>37,389</b>	<b>39,111</b>
V <b>Profit/(Loss) before Tax and Exceptional Items (III-IV)</b>		<b>(5,567)</b>	<b>(214)</b>
VI <b>Exceptional Items</b>			
Exceptional Items		979	-
<b>Profit/(Loss) before Tax after Exceptional Items (V-VI)</b>		<b>(6,546)</b>	<b>(214)</b>
VII <b>Tax Expense</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expense</b>		<b>-</b>	<b>-</b>
VIII <b>Profit/(Loss) after tax (VI-VII)</b>		<b>(6,546)</b>	<b>(214)</b>
IX <b>Other Comprehensive Income</b>			
A I. Items that will not be reclassified to Profit or Loss			
(a) Remeasurements of the Defined Benefit Liabilities - gain / (loss)		(76)	(188)
(b) Equity Instruments through Other Comprehensive Income - gain / (loss)		(4)	32
II. Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
B I. Items that will be reclassified to Profit or Loss		-	-
<b>Total Other Comprehensive Income</b>		<b>(80)</b>	<b>(156)</b>
X <b>Total Comprehensive Income (VII + VIII)</b>		<b>(6,626)</b>	<b>(370)</b>
<b>Earnings per Equity Share (Face Value ₹ 2) in ₹</b>			
Basic		(17.20)	(0.56)
Diluted		(17.20)	(0.56)

See accompanying notes forming part of the financial statements

**As per our report attached**For **Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

FRN.: 104184W/W100075

**Ashish Sheth**

Designated Partner

Membership No.: 107162

**For Walchandnagar Industries Limited****Chirag C. Doshi**

Managing Director &amp; CEO

DIN- 00181291

**Sandeep Jain**

Chief Financial Officer

**Dilip J. Thakkar**

Director

DIN- 00007339

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

Date: June 26, 2020

Place: Mumbai

Date: June 26, 2020

Place: Mumbai

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>A Cash Flow from Operating Activities</b>		
Profit/(Loss) before tax	(6,546)	(214)
<b>Adjustments for :</b>		
Depreciation and Amortization Expense	2,300	2,703
Provision for doubtful debts	(1,824)	(2,969)
(Profit)/ Loss on sale of Asset	950	(8)
Finance Costs	8,652	8,051
Unrealized Exchange (Gain) / Loss (net)	198	(705)
Sundry Balances Written back	(557)	(866)
Interest Income	(378)	(277)
Rental Income from Investment property	(10)	(9)
Bad Debts Witten off	3,721	2,412
Dividend Income on Current Investments	(1)	(1)
(Profit) / loss on sale of Current Investments	5	-
Provision written back	(249)	(104)
	<b>12,807</b>	<b>8,228</b>
<b>Operating profit before working capital changes</b>	<b>6,261</b>	<b>8,014</b>
Change in operating assets and liabilities		
(Increase)/ decrease in trade receivables	5,332	7,240
(Increase)/ decrease in other financial assets	(1,106)	(1,021)
(Increase)/ decrease in other assets	561	(762)
(Increase)/ decrease in inventories	(4,017)	(2,367)
Increase/ (decrease) in trade payable	(739)	(47)
Increase/ (decrease) in other financial liabilities	(598)	280
Increase/ (decrease) in provisions	54	(157)
Increase/ (decrease) in other liabilities	106	3,035
	<b>(406)</b>	<b>6,201</b>
Cash Generated from Operations	<b>5,855</b>	<b>14,215</b>
Income Tax Refund / (Paid) (net)	-	371
<b>Net cash inflow from operating activities (A)</b>	<b>5,855</b>	<b>14,586</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of tangible/intangible assets including capitalwork in progress	(1,507)	(1,224)
Proceeds from Sale of Property, Plant and Equipment	37	19
(Purchase)/Sale of Non Current Investments	136	30
(Purchase)/Sale of Current Investments	165	-12
Rent received on Investment Property	10	9
Proceed from sale of assets held for sale	1,999	-
Fixed Deposit / Margin Money Realized/(Paid)	2,664	(3,969)
Dividend received on current investment	1	1
Interest Received	398	224
<b>Net cash inflow from investing activities (B)</b>	<b>3,903</b>	<b>(4,922)</b>

₹ in Lakhs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>C Cash Flow from Financing Activities</b>		
Proceeds/(Repayments) of Long-Term Borrowings (Net)	(5,369)	(4,633)
Proceeds/(Repayments) of Short-Term Borrowings (Net)	484	3,085
Interest paid	(7,229)	(6,284)
<b>Net cash outflow from financing activities (C)</b>	<b>(12,114)</b>	<b>(7,832)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(2,356)</b>	<b>1,832</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>2,677</b>	<b>845</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>321</b>	<b>2,677</b>
<b>Cash &amp; Cash Equivalents comprises of :</b>		
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Cash on hand	26	26
Balances with banks	275	2,631
Deposits having original maturity of less than three months	20	20
<b>Total</b>	<b>321</b>	<b>2,677</b>

See accompanying notes forming part of the financial statements

**As per our report attached**For **Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

FRN.: 104184W/W100075

**Ashish Sheth**

Designated Partner

Membership No.: 107162

**For Walchandnagar Industries Limited****Chirag C. Doshi**

Managing Director &amp; CEO

DIN- 00181291

**Dilip J. Thakkar**

Director

DIN- 00007339

**Sandeep Jain**

Chief Financial Officer

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

Date: June 26, 2020

Place: Mumbai

Date: June 26, 2020

Place: Mumbai

## STATEMENTS OF CHANGES IN EQUITY

### A. Equity Share Capital

₹ in Lakhs

Balance as of April 1, 2019	Changes in equity share capital during the period	Balance as at March 31, 2020
761	-	761
Balance as of April 1, 2018	Changes in equity share capital during the period	Balance as at March 31, 2019
761	-	761

### B. Other Equity

Particulars	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurements of the Defined Benefit	Equity Instruments through Other Comprehensive Income	Total
<b>Balance as at April 1, 2019</b>	4,994	50	5,606	22,149	(192)	165	32,773
Loss for the year				(6,546)		-	(6,546)
Other Comprehensive Income (net)				-	(76)	(4)	(80)
Total Comprehensive income for the year	-	-	-	(6,546)	(76)	(4)	(6,626)
<b>Balance as at March 31, 2020</b>	<b>4,994</b>	<b>50</b>	<b>5,606</b>	<b>15,603</b>	<b>(268)</b>	<b>161</b>	<b>26,147</b>

Particulars	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurements of the Defined Benefit	Equity Instruments through Other Comprehensive Income	Total
<b>Balance as at April 1, 2018</b>	4,994	50	5,606	22,364	(4)	133	33,144
Loss for the year				(214)		-	(214)
Other Comprehensive Income (net)				-	(188)	32	(156)
Total Comprehensive income	-	-	-	(214)	(188)	32	(370)
<b>Balance as at March 31, 2019</b>	<b>4,994</b>	<b>50</b>	<b>5,606</b>	<b>22,149</b>	<b>(192)</b>	<b>165</b>	<b>32,773</b>

See accompanying notes forming part of the financial statements

**As per our report attached**

For **Jayesh Sanghrajka & Co. LLP**

Chartered Accountants  
FRN.: 104184W/W100075

**Ashish Sheth**

Designated Partner  
Membership No.: 107162

For **Walchandnagar Industries Limited**

**Chirag C. Doshi**  
Managing Director & CEO  
DIN- 00181291

**Sandeep Jain**  
Chief Financial Officer

**Dilip J. Thakkar**  
Director  
DIN- 00007339

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

Date: June 26, 2020  
Place: Mumbai

Date: June 26, 2020  
Place: Mumbai



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

### 1. Corporate Information :

Walchandnagar Industries Limited (the Company) is a limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at 3 Walchand Terraces, Tardeo Road, Mumbai – 400 034, Maharashtra, India.

The Company is an ISO 9001:2008 certified Heavy Engineering and Project execution company. WIL has diversified business offerings across core sectors with focus on EPC / Turnkey Projects, Hi Tech Manufacturing, Engineering Products and Engineering Services.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 26, 2020.

### 2. Significant accounting policies :

#### 2.1 Statement of Compliance :

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

#### 2.2 Basis of preparation of financial statements :

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 Share-based Payment, leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 Impairment of assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### 2.3 Use of Estimates :

The preparation of financial statements requires the management of the company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

#### Critical accounting estimates

##### i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of the time of receipt of the consideration. Revenue is recognised at the fair value of the consideration received or receivable, taking into consideration the defined terms and conditions of payment in the contract. Taxes and duties collected on behalf of the government are excluded.

The specific recognition criteria of revenue recognition have been defined in para 2.9

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### ii) **Income taxes**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### iii) **Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The policy for the same has been explained under Note 2.5

### iv) **Provisions**

Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. The policy for the same has been explained under Note 2.19

### v) **Fair value measurement of financial instruments**

The Company measures financial instruments, such as, Investments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: a) In the principal market for the asset or liability, or b) In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above."

## 2.4 **Current versus non-current classification :**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle,
- ii. Held primarily for the purpose of trading,
- iii. Expected to be realised within twelve months after the reporting period, or

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)**

- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle,
- ii. It is held primarily for the purpose of trading,
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Operating cycle for the business activities of the company covers the duration of the specific project/contract/project line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. For non-project related assets and liabilities, operating cycle is 12 months.

**2.5 Property, Plant & Equipment and Intangible assets :**

Property, Plant & Equipment and intangible assets are stated at actual cost less accumulated depreciation and net of impairment. The actual cost capitalised includes material cost, freight, installation cost, duties and taxes, eligible borrowing costs and other incidental expenses incurred during the construction/installation stage.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The estimated useful lives and residual values of the Property, Plant & Equipment and Intangible assets are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets costing upto ₹ 5,000 are fully depreciated in the year of purchase except when they are part of a larger capital investment programme.

The cost of software purchased for internal use is capitalized and amortized in three years.

Technical know-how is amortized in six years.

An item of Property, Plant & Equipment and intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant & Equipment and intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

**Depreciation & Amortisation**

Depreciation on Property, Plant & Equipment including assets taken on lease is charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013. For any addition / disposal of assets, depreciation is charged on prorata basis depending upon the number of days assets was in use.

**2.6 Investment:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost.

However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties. After initial recognition, the company measures investment property at cost.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment properties are depreciated in accordance to the class of asset that it belongs and the life of the asset is as conceived for the same class of asset at the Company

## 2.7 Leases :

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### i) Finance Lease

Where the Company, as a lessor, leases assets under finance lease, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on constant rate of return on the outstanding net investment.

Assets taken on finance lease are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance costs and reduction of outstanding liability. Finance costs are recognised as an expense in the statement of profit or loss over the period of lease, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with Company's general policy on borrowing costs.

### ii) Operating Lease

Lease arrangements under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating lease are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

### iii) Sale and Lease back transaction

In case of a sale and leaseback transaction resulting in a finance lease, any excess or deficiency of sales proceeds over the carrying amount is deferred and amortised over the lease term in proportion to the depreciation of the leased asset.

Profit or Loss on Sale and Lease back arrangements resulting in finance leases are recognised, in case the transaction is established at fair value, else the excess over the fair value is deferred and amortised over the period for which the asset is expected to be used.

## 2.8 Impairment of Assets :

### i) Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****ii) Non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. The recoverable amount of the tangible & intangible assets is estimated as the higher of its net selling price and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account. An impairment loss is recognised whenever the carrying amount of an tangible & intangible asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**2.9 Revenue recognition :**

The Company recognises revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset.

**A Product Sales**

In case of sale of products the revenue is recognised at a point in time .

- a. Domestic sales of manufactured items are recognized on dispatch and are stated net of returns, discounts and rebates. Sales are recorded exclusive of applicable taxes.

Amount recognised as sales are adjusted for any variable consideration as per terms of the contract.

- 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 on sale of goods is recognized on the acceptance of the claim by the client and on certainty of its realization.

**B Contract Revenue**

- a. In case of contracts which involves supply of goods and services and where company transfers control and satisfies performance obligation over time, the revenue is recognised over time. The company recognises revenue for a performance obligation satisfied over time only if its progress towards complete satisfaction of the performance obligation is reasonably measured. The company has used Input Method for measuring progress.
- 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 recovered. Expected loss is recognized immediately when it is probable that the total estimated contract costs will exceed total contract revenue.
- c. Escalation claims explicitly mentioned in contracts with customers and which cannot be reversed subsequently are considered as variable claims. The claims have been estimated using the expected value method.

**C Service Revenue**

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

**D Interest and Dividend Income**

- a. Interest income is recognised using effective interest rate method.
- b. Dividend income is recognised when the Company's right to receive dividend is established

**E Export Benefits**

Export benefits are recognized on actual basis.

- F All other incomes are recognised on accrual basis.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### 2.10 Liquidated damages :

When revenue has been recognised after the contractual delivery period the amount of liquidated damages as per the terms of the contract has been reduced from the amount of revenue recognised.

When revenue has not been recognised and the contractual delivery date is over the amount of liquidated damages to be imposed by the customer has been recognised as an expense and adequate provisions have been made.

### 2.11 Inventories :

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

- Raw materials, Components, Stores and Spares are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. 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".
- 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.
- Goods-in-transit are valued at costs incurred till the Balance Sheet date.
- 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.
- Finished goods are valued at lower of cost or net realizable value. Cost includes related overheads and wherever applicable duties and other non recoverable taxes.

### 2.12 Government grants :

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the financial statements and transferred to profit or loss on a systematic and rational basis over the useful life of the related assets.

Grants related to revenue are accounted for as other income in the period in which the related costs which Government intend to compensate are accounted for to the extent there is no uncertainty in receiving the same. Incentives which are in the nature of subsidies given by the Government which are based on the performance of the Company are recognised in the year of performance/ eligibility in accordance with the related scheme.

Government grants in the form of non-monetary assets, given at a concessional rate, are accounted for at their fair value.

### 2.13 Foreign currency transactions :

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### 2.14 Financial Instruments :

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

#### i) Non-derivative financial instruments

##### Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

##### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value

Financial asset not measured at amortised cost is carried at fair value through profit or loss (FVTPL) on initial recognition, unless the company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

The Company, on initial application of IND AS 109 Financial Instruments, has made an irrevocable election to present in other comprehensive income subsequent changes in fair value of equity instruments not held for trading.

Financial asset at FVTPL are measured at fair values at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

##### Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method or at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit and loss.

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### ii) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognises financial liabilities when, and only when, the Company's obligation are discharged, cancelled or have expired.

### 2.15 Employee benefits :

#### i) Gratuity

The Company accounts for its gratuity liability, a defined retirement benefit plan covering eligible employees. The gratuity plan provides for a lump sum payment to employees at retirement, death, incapacitation or termination of the employment based on the respective employee's salary and the tenure of the employment. Liabilities with regard to a Gratuity plan are determined based on the actuarial valuation carried out by an independent actuary as at the Balance Sheet date using the Projected Unit Credit method.

Actuarial gains and losses are recognised in full in other comprehensive income and accumulated in equity in the period in which they occur. Past service cost is recognised in profit or loss in the period of a plan amendment.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### ii) **Provident Fund**

The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

The Company has no further obligations for future provident fund.

### iii) **Superannuation and ESIC**

Superannuation fund and Employees' State insurance scheme (ESI), which are defined contribution schemes, are charged to the Statement of Profit and Loss on accrual basis.

The Company has no further obligations for future superannuation fund benefits other than its annual contributions.

### iv) **Compensated advances**

The Company provides for the compensated absences subject to Company's certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment or availment. The liability is provided based on the number of days of unavailed leave at each Balance Sheet date on the basis of an independent actuarial valuation using the Projected Unit Credit method.

The liability which is not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised based on actuarial valuation as at the Balance Sheet date.

Actuarial gains and losses are recognised in full in the Statement of Profit and Loss in the period in which they occur.

The company also offers a short term benefit in the form of encashment of unavailed accumulated compensated absence above certain limit for all of its employees and same is being provided for in the books at actual cost.

### v) **Other short term employee benefits**

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for the services rendered by employees, are recognised in the statement of profit and loss during the period when the employee renders the service.

## 2.16 **Borrowing costs :**

Borrowing costs that are directly attributable to the acquisition or construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss.

## 2.17 **Taxation :**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to / recovered from the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws existing in the respective countries.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are recognised in other comprehensive income or directly in equity, respectively.

Advance taxes and provisions for current income taxes are presented in the statement of financial position after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

### **Deferred income taxes**

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

Deferred income tax asset are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax after the tax holiday period.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The Company recognises interest levied and penalties related to income tax assessments in interest expenses.

### 2.18 Earnings per Share :

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the period and also after the Balance Sheet date but before the date the financial statements are approved by the Board of Directors.

For the purpose of calculating diluted earnings / (loss) per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

### 2.19 Provision, Contingent Liabilities and Contingent Assets :

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

### 2.20 Segment Accounting :

Managing Director & CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS-108, "Operating Segments." He identifies and monitors the operating results of its business segments separately for purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Operating segments have been identified on the basis of the nature of products/services. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the company is categorized under domestic sales and export sales.

#### A. Segment Reporting policies:

Following Accounting policies have been followed for segment reporting:

- i. Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- ii. Expenses that are directly identifiable with/allocable to segments are considered for determining the Segment Result. Expenses which relate to the Company as a whole and not allocable to segments are included under "Un-allocable Corporate Expenses".
- iii. Income which relates to the Company as a whole and not allocable to segments is included in "Un-allocable Corporate Incomes".

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

- iv. Segment result includes margins on inter-segment transactions, which are reduced in arriving at the profit before tax of the Company.
- v. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

### **B. Inter-segment transfer pricing**

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

### **2.21 Assets Held For Sale :**

Non-current assets held for sale are measured at the lower of their carrying value and fair value of the assets less costs to sale. Assets and liabilities classified as held for sale are presented separately in the balance sheet. Property, plant and equipment once classified as held for sale are not depreciated/ amortised.

### **2.22 Exceptional Item:**

When items of income and expense within statement of profit and loss from ordinary activities are of such size nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, nature and amount of such material items are disclosed separately as an Exceptional Item.

### **2.23 Cash and Cash Equivalent:**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **2.24 Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

## Note 3 : Property, Plant and Equipment

₹ in Lakhs

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	As at April 01, 2019	Additions during the year	Deletions during the year	As at March 30, 2020	As at April 01, 2019	Depreciation for the year	Deletions during the year	As at March 31, 2020	As at March 31, 2020	
Freehold Land	10,776	-	-	10,776	-	-	-	-	10,776	
Buildings	14,702	245		14,947	1,941	611		2,551	12,396	
Plant and Equipments	17,305	944	28	18,221	6,871	1,576	20	8,427	9,794	
Furniture and Fixtures	125			125	86	14		100	25	
Computers & Peripherals	28	1		29	8	10		18	11	
Vehicles	141			141	72	21		93	48	
Office Equipments	248	4		252	132	50		182	70	
<b>Total</b>	<b>43,325</b>	<b>1,194</b>	<b>28</b>	<b>44,491</b>	<b>9,110</b>	<b>2,282</b>	<b>20</b>	<b>11,371</b>	<b>33,120</b>	

₹ in Lakhs

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block	
	As at April 01, 2018	Additions during the year	Deletions during the year	As at March 31, 2019	As at April 01, 2018	Depreciation for the year	Deletions during the period	As at March 31, 2019	As at March 31, 2019	
Freehold Land	10,776	-	-	10,776	-	-	-	-	10,776	
Buildings	14,702	-	-	14,702	1,408	533		1,941	12,761	
Plant and Equipments	16,749	572	16	17,305	4,943	2,025	97	6,871	10,434	
Furniture and Fixtures	116	9	-	125	75	11		86	39	
Computers & Peripherals	28			28	-	8		8	20	
Vehicles	108	34	1	141	59	13		72	69	
Office Equipments	147	101	-	248	76	56		132	116	
<b>Total</b>	<b>42,626</b>	<b>716</b>	<b>17</b>	<b>43,325</b>	<b>6,561</b>	<b>2,646</b>	<b>97</b>	<b>9,110</b>	<b>34,215</b>	

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

Note: 1. Reclassification in categories of Fixed Assets in opening balance

Particulars	Gross Block as at 01.04.2018		
	Original Amount	Transfer to/ (From)	Adjusted Op. Amt
Freehold Land	10,610	166	10,776
Buildings	14,980	(278)	14,702
Plant and Equipments	16,737	12	16,749
Furniture and Fixtures	131	(15)	116
Computers & Peripherals	-	28	28
Vehicles	89	19	108
Office Equipments	79	68	147
	<b>42,626</b>	<b>0</b>	<b>42,626</b>

Note: 2. Freehold land includes certain land at Walchandnagar, costing ₹ 0.08 lakhs, acquired in earlier years by the State Government for which compensation of ₹ 285 lakh (Net) has been awarded.

However as the matter is in appeal in the Supreme Court, the award has not been accounted as sale.

### Note 4 : Investment Property

Description of Assets	₹ in Lakhs	
	As at March 31, 2020	March 31, 2019
Investment Properties	<b>189</b>	189

Particulars	₹ in Lakhs	
	As at March 31, 2020	March 31, 2019
<b>I. Gross Block</b>		
Opening Balance	189	189
Additions/(deletion) during the year		
Closing Balance	<b>189</b>	189
<b>II. Accumulated depreciation</b>		
Opening Balance	-	-
Amortisation expense for the year	-	-
Closing Balance	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****Note 5 : Intangible Assets**

Description of Assets	Intellectual property rights	Software (other than internally generated)	Total
<b>I. Gross Block</b>			
<b>As at April 1, 2018</b>	170	172	342
Additions during the year	-	4	4
Disposals or classified as held for sale	-	-	-
<b>Balance as at March 31, 2019</b>	<b>170</b>	<b>176</b>	<b>346</b>
Additions during the period	10	-	10
Disposals or classified as held for sale	-	-	-
<b>Balance as at March 31, 2020</b>	<b>180</b>	<b>176</b>	<b>356</b>
<b>II. Accumulated depreciation</b>			
Balance as at April 1, 2018	50	133	183
Amortisation expense for the year	32	25	57
Disposals / Adjustments	-	-	-
<b>Balance as at March 31, 2019</b>	<b>82</b>	<b>158</b>	<b>240</b>
Amortisation expense for the period	12	6	18
Disposals / Adjustments	-	-	-
<b>Balance as at March 31, 2020</b>	<b>94</b>	<b>164</b>	<b>258</b>
<b>Net Block as at March 31, 2020 (I - II)</b>	<b>86</b>	<b>12</b>	<b>98</b>

**Note 6 : Investments : Non Current**

₹ in Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>Other Investments</b>		
<b>- Quoted</b>		
Bombay Cycle & Motor Agency Limited	7	11
600 (31 <sup>st</sup> March 2019: 600) equity shares of ₹ 10 each fully paid		
600 (20 <sup>th</sup> August 2019: 0) Bonus share 1:1		
HDFC Bank Limited	-	57
0 (31 <sup>st</sup> March 2019: 2500) equity shares of ₹ 2 each fully paid		
Bank of Baroda	-	79
0 (31 <sup>st</sup> March 2019: 60,000) equity shares of ₹ 2 each fully paid		
<b>- Unquoted</b>		
10 (31 <sup>st</sup> March 2019 : 10) equity shares of ₹ 25 each fully paid		
Actis Biologics Private Limited	103	103
104,250 (31 <sup>st</sup> March 2019: 104,250) equity shares of ₹ 10 each fully paid		
Less: Provision for Diminution	(102)	(102)
<b>Sub total</b>	<b>8</b>	<b>148</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

Note :

### i) Details of Investments

₹ in Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
Investments carried at cost	-	-
Investments carried at fair value through Other Comprehensive Income	8	148
Investments carried at fair value through profit and loss	-	-

### ii) Bifurcation of investments

₹ in Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
Aggregate amount of Quoted Investments	7	147
Aggregate amount of Market value of Quoted Investments	7	147
Aggregate amount of unquoted Investments	103	103
Aggregate amount of impairment in value of investment	102	102

### Note 7 : Trade Receivables : Non Current

₹ in Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade receivables		
Considered Good – Secured	-	-
Considered Good – Unsecured	5,646	9,898
Significant increase in Credit Risk	-	-
Credit Impaired (refer note 2.8(ii))	300	25
	5,947	9,923
Less: Provision for Doubtful Debts (refer note 2.8(ii))	(300)	(25)
<b>Total</b>	<b>5,646</b>	<b>9,898</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****Note 8 : Other Financial Assets : Non Current**

₹ in Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
(Unsecured, considered good unless otherwise stated)		
Security Deposits		
Considered Good – Secured	-	-
Considered Good – Unsecured	268	246
Significant increase in Credit Risk	-	-
Credit Impaired	-	-
Less: Provision for Doubtful Debts	-	-
	268	246
Fixed deposits/ margin money deposits having maturities of more than 12 months from balance sheet date*	1	346
<b>Total</b>	<b>269</b>	<b>592</b>

\* Above FDs are given as Margin Money to Bank

**Note 9 : Other Non-Current Assets**

₹ in Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
(Unsecured, considered good unless otherwise stated)		
<b>Capital Advances</b>		
Considered Good – Secured	-	-
Considered Good – Unsecured	125	197
Significant increase in Credit Risk	-	-
Credit Impaired	-	-
Less: Provision on advances to suppliers	-	-
	125	197
<b>Prepaid Expenses</b>	<b>487</b>	659
Right to use Asset - Lease Hold Land	1,171	1,237
Balance with Government Authorities	2,400	2,398
<b>Other Loans and Advances</b>		
<b>Considered Good – Secured</b>	-	-
Considered Good – Unsecured	404	417
Significant increase in Credit Risk	-	-
Credit Impaired	-	21
Less: Provision on other loans and advances	-	(21)
	404	417
<b>Total</b>	<b>4,587</b>	<b>4,908</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### Note-10 : Inventories

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
- Goods in Transit, at cost	69	128
- Raw Materials and Components	5,139	5,498
- Stores and Spares	1,540	1,474
- Dies, Jigs, Tools, Moulds & Patterns	246	150
- Work in progress	15,193	12,111
- Finished Products	1,306	115
	<b>23,493</b>	<b>19,476</b>

### Note 11 : Investments : Current

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
(Investments Carried at fair value through profit and loss)		
- Investment in Mutual Funds	-	91
HDFC Cash Management Fund Savings Plan Regular Plan Growth		
Nil units (31 <sup>st</sup> March 2019: 2354.374 units)		
- Investment in equity shares of Housing Development Finance Corporation Limited	-	79
Nil (31 <sup>st</sup> March 2019: 4000) equity shares of ₹ 2 each fully paid		
<b>Total</b>	<b>-</b>	<b>170</b>

### Note 12 : Trade Receivables : Current

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
Trade receivables		
Considered Good – Secured	-	-
Considered Good – Unsecured	19,867	23,043
Significant increase in Credit Risk	-	-
Credit Impaired (refer note 2.8(i))	3,636	5,735
	<b>23,503</b>	<b>28,778</b>
Less: Provision for doubtful debts (refer note 2.8(i))	<b>(3,636)</b>	<b>(5,735)</b>
<b>Total</b>	<b>19,867</b>	<b>23,043</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****Note 13 : Cash and Cash Equivalents**

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
Cash in hand	26	26
<b>Balances with banks</b>		
In Current Account	275	2,631
In Deposit Account	20	20
<b>Total</b>	<b>321</b>	<b>2,677</b>

**Note 14 : Other Balances with Banks**

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
In Deposit Accounts	392	394
Earmarked Balances with Banks		
-Unclaimed Dividend	8	17
-Balances held as Margin Money/Security towards obtaining Bank Guarantees	3,385	5,704
-Balance held under Escrow Account	201	190
<b>Total</b>	<b>3,986</b>	<b>6,305</b>

**Note 15 : Other Financial Assets : Current**

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
Unbilled Revenue	5,200	4,115
<b>Total</b>	<b>5,200</b>	<b>4,115</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### Note-16 : Other Current Assets

Particulars	₹ in Lakhs	
	As at March 31, 2020	March 31, 2019
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>Balance with Government Authorities</b>		
Considered Good – Secured	-	-
Considered Good – Unsecured	2,202	1,736
Significant increase in Credit Risk	-	-
Credit Impaired	-	-
Less: Provision for Balance with Government Authorities	-	-
	<b>2,202</b>	<b>1,736</b>
<b>Advances to employees</b>		
Considered Good – Secured	-	-
Considered Good – Unsecured	63	63
Significant increase in Credit Risk	-	-
Credit Impaired	-	-
Less : Provision on employee advances	-	-
	<b>63</b>	<b>63</b>
<b>Advances to suppliers</b>		
Considered Good – Secured	-	-
Considered Good – Unsecured	2,278	3,389
Significant increase in Credit Risk	-	-
Credit Impaired	1,107	1,108
Less: Provision for doubtful Advances to suppliers	(1,107)	(1,108)
	<b>2,278</b>	<b>3,389</b>
<b>Prepaid Expenses</b>	<b>1,095</b>	<b>1,174</b>
<b>Share Issue Expenses *</b>	-	24
<b>Others Loans and Advances</b>		
Considered Good – Secured	-	-
Considered Good – Unsecured	32	91
Significant increase in Credit Risk	-	-
Credit Impaired	-	-
Less: Provision on other loans and advances	-	-
	<b>32</b>	<b>91</b>
<b>Total</b>	<b>5,670</b>	<b>6,477</b>

(\*) The Company has so far incurred share issue expenses of ₹ NIL (March 31, 2019: ₹ 24 lakh) in connection with proposed Qualified Institutional Placement (QIP). Considering current market condition of capital market, the proposed QIP has been put on hold and share issue expenses incurred in this regards has been charged off in the profit and loss account in the current financial year.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****Note 17 : Equity Share Capital**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
10% Cumulative Preference Shares of ₹ 100 each	50,000	50	50,000	50
Preference Shares of ₹ 100 each	50,000	50	50,000	50
Equity shares of ₹ 2/- each with voting rights	120,000,000	2,400	120,000,000	2,400
		<u>2,500</u>		<u>2,500</u>
Issued, Subscribed and Paid up	38,070,205	761	38,070,205	761
<b>Total</b>	<b>38,070,205</b>	<b>761</b>	<b>38,070,205</b>	<b>761</b>

**Reconciliation of number of Equity Shares and amount outstanding at the beginning and at the end of the reporting period**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	38,070,205	761	38,070,205	761
Shares issued during the year	-	-	-	-
<b>Total</b>	<b>38,070,205</b>		<b>38,070,205</b>	<b>761</b>

**Terms/Rights attached to equity shares**

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

In the event of liquidation of the Company, the holders of the 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 shares held by the shareholders.

**Number of shares held by each shareholder holding more than 5 percent of the Equity Shares of the Company are as follows:**

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
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

As per the records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

As per the records of the Company, no shares has been allotted pursuant to any contract for consideration other than cash or as bonus shares during the preceeding five financial years. There are no buy back of shares during the preceeding five financial years.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### Note 18 : Other Equity

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
- Capital Redemption Reserve	50	50
- Securities Premium Account	4,994	4,994
- General Reserve	5,606	5,606
- Retained Earnings		
Opening balance	22,149	22,364
Less : Loss for the year	(6,546)	(214)
Add : Other Comprehensive Income	-	-
Closing Balance	15,603	22,149
- Remeasurements of the Defined Benefit		
Opening Balance	(192)	(4)
Add : Other Comprehensive Income	(76)	(188)
Closing Balance	(268)	(192)
- Equity Instruments through Other Comprehensive Income		
Opening Balance	165	133
Add : Other Comprehensive Income	(4)	32
Closing Balance	161	165
<b>Total</b>	<b>26,147</b>	<b>32,773</b>

### Note 19 : Borrowings : Non Current

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
<b>Measured at amortised cost</b>		
<b>Secured Borrowings:</b>		
From Banks / NBFCs		
(i) Corporate Loan / NCD	15,897	20,200
(ii) Vehicle Loan	15	20
<b>Total</b>	<b>15,912</b>	<b>20,220</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)**

- (A) Secured Loan of ₹ 18,000 lakhs taken from KKR India Financial Services Pvt. Ltd. and non-convertible debentures of ₹ 5700 lakhs issued to KKR India Debt Opportunities fund II are at an interest rate of 14% p.a.

i) **Repayment schedule is as under:**

	<b>Corporate Loan repayment Amount</b>	<b>NCD Repayment Amount</b>	<b>Total Instalment Amount</b>
30-Sep-20	1,809	631	2,440
30-Sep-21	4,065	1,300	5,365
30-Sep-22	4,839	1,500	6,339
30-Sep-23	3,194	1,000	4,194
<b>Total</b>	<b>13,907</b>	<b>4,431</b>	<b>18,338</b>

ii) **They are secured by:**

- 1) First charge on specified land and buildings at Walchandnagar, Mumbai and Dharwad.
  - 2) First charge by way of pledge of shareholdings of promoters/affiliates amounting to 53.99% of paid-up capital of the company.
  - 3) First charge on the designated bank account held with State Bank of India.
- (B) Vehicle Loan from Axis Bank - Secured by vehicle bought under loan and repayable in 48 Equated monthly installments of ₹ 0.26 Lacs and interest @ 11% p.a. Balance instalments payable on balance sheet date are NIL
- (C) Vehicle Loan from Bank of India - Secured by vehicle bought under loan and repayable in 60 Equated monthly installments of ₹ 0.52 Lacs and interest @ 8.70% p.a. Balance instalments payable on balance sheet date are 45
- (D) Other borrowing pertains to Acceptances. In case of HED division they are secured by mortgage of residential flat in Mumbai, specified 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.)

Acceptances for Foundry and Satara are 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.

The above are at an interest rate of 14.90% from Bank of India and 13.90% from State Bank of India

**Note 20: Other Financial Liabilities : Non Current**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Interest on Secured Loans	<b>2,730</b>	1,934
Others #	<b>557</b>	685
<b>Total</b>	<b>3,287</b>	<b>2,619</b>

# Includes ₹ 285 lakh against land acquisition by the State Government of Maharashtra not accounted as sale in the books, Matter appealed and pending in Supreme Court.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### Note 21 : Provisions : Non Current

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
Provision for employee benefits*		
- Gratuity	1,101	1,029
- Compensated absences	199	169
<b>Total</b>	<b>1,300</b>	<b>1,198</b>

\* (Refer Note No. 46)

### Note 22 : Other Non Current Liabilities : Non current

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
Deposit in Escrow Liability	201	190
Advance from Customer	6,640	3,538
<b>TOTAL</b>	<b>6,841</b>	<b>3,728</b>

### Note 23: Borrowings : Current

	₹ in Lakhs	
	As at	
Particulars	March 31, 2020	March 31, 2019
(a) From Banks/NBFC (Secured)		
(i) Working Capital Loan	21,091	20,781
(b) Others	1,058	884
<b>Total</b>	<b>22,149</b>	<b>21,665</b>

(The facilities mentioned at a (i) & a (ii) above pertaining to HED division 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 pertaining to Heavy Engineering Division at Walchandnagar. The facilities are further secured by a second charge on all assets given to KKR India and proceeds from sale of shares pledged to KKR India.

(The facilities mentioned at a (i) & a (ii) above pertaining to Foundry division, Satara are secured by hypothecation of all 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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****Note 24: Trade Payables**

₹ in Lakhs

As at	
March 31, 2020	March 31, 2019
529	771
8,195	8,692
<b>8,724</b>	<b>9,463</b>

**Particulars**

Trade Payables

- Total outstanding dues of micro enterprises and small enterprises (Refer No. 52)

- Total outstanding dues of creditors other than micro enterprises and small enterprises.

**Total****Note 25: Other Financial Liabilities : Current**

₹ in Lakhs

As at	
March 31, 2020	March 31, 2019
5	7
2,440	3,500
1,085	459
8	17
464	512
176	120
2,163	2,879
<b>6,341</b>	<b>7,494</b>

**Particulars**

Current maturities of long-term loans (secured)

(i) Vehicle Loan

(ii) Corporate Loan/NCD

Interest payable on borrowings

Unclaimed dividends

Accrued Salaries and Benefits

Contract Liability

Expenses

**Total****Note 26 : Provisions : Current**

₹ in Lakhs

As at	
March 31, 2020	March 31, 2019
305	304
58	31
<b>363</b>	<b>335</b>

**Particulars**

Provision for employee benefits\*

- Gratuity

- Compensated absences

**Total**

\* (Refer Note No. 46)

**Note 27 : Other Current Liabilities**

₹ in Lakhs

As at	
March 31, 2020	March 31, 2019
12,371	15,558
417	794
<b>12,788</b>	<b>16,352</b>

**Particulars**

Advances received from customers

Statutory Remittances

**Total**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### Note 28 : Revenue From Operations

₹ in Lakhs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Revenue From operations	29,805	36,405
<b>Total</b>	<b>29,805</b>	<b>36,405</b>

### Note 29 : Other Income

₹ in Lakhs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Interest Income		
- On Bank deposits	378	248
- On Other financial assets carried at amortised cost	-	28
- On Others	14	134
Dividend Income on Investment	1	1
Rental income	10	9
Occupation Fees	5	5
Profit on Sale of Asset	29	8
Sundry Balances Written Back	557	866
Foreign Exchange (Gain) / Loss (net)	604	835
Provision written back	249	104
Miscellaneous Income	170	254
<b>Total</b>	<b>2,017</b>	<b>2,492</b>

### Note 30 : Cost of Materials consumed

₹ in Lakhs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
<b>(A) Materials consumed comprise:</b>		
(a) Plates, Sheets, Beams & Steel Materials	1,373	1,065
(b) Steel Scrap	1,270	2,110
(c) Castings	1,744	1,012
(d) Pig Iron	7	10
(e) Ferro Alloys	177	298
(f) Bought and Components etc.	7,976	8,142
(g) Materials Consumed at Sites	50	220
	<b>12,597</b>	<b>12,857</b>
<b>(B) Stores and Spares consumed</b>	<b>1,393</b>	<b>1,867</b>
<b>Total</b>	<b>13,990</b>	<b>14,724</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****Note 31 : Sub-Contracting Expenses, Processing Charges and Other Direct Costs**

	₹ in Lakhs	
	Year ended	
Particulars	March 31, 2020	March 31, 2019
(a) Sub-contracting Expenses and Processing Charges	2,001	3,004
	<b>2,001</b>	<b>3,004</b>

**Note 32 : Changes in Inventories of Finished Goods & Work-in-progress**

	₹ in Lakhs	
	Year ended	
Particulars	March 31, 2020	March 31, 2019
<b>Inventories at the beginning of the period:</b>		
(a) Finished Products	115	93
(b) Work-in-Progress	12,111	10,369
(c) Finished goods-in-transit	-	9
	<b>12,226</b>	<b>10,471</b>
<b>Inventories at the end of the period:</b>		
(a) Finished Products	1,306	115
(b) Work-in-Progress	15,193	12,111
	<b>16,499</b>	<b>12,226</b>
<b>Total</b>	<b>(4,273)</b>	<b>(1,755)</b>

**Note 33 : Employee Benefits Expense**

	₹ in Lakhs	
	Year ended	
Particulars	March 31, 2020	March 31, 2019
Salaries and wages, including bonus*	7,563	7,664
Contribution to provident and other funds	519	539
Gratuity	209	200
Staff welfare expenses	75	38
<b>Total</b>	<b>8,366</b>	<b>8,441</b>
* Includes Directors Remuneration	210	222

**Note 34 : Finance Costs**

	₹ in Lakhs	
	Year ended	
Particulars	March 31, 2020	March 31, 2019
Interest Debentures and Fixed Loans	3,225	3,346
Interest on Short term Loan and Cash Credits	3,400	2,845
Others	2,027	1,860
<b>Total</b>	<b>8,652</b>	<b>8,051</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### Note 35 : Depreciation and Amortisation Expense

₹ in Lakhs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Depreciation on Property, Plant and Equipment	2,282	2,646
Amortisation on Intangible assets	18	57
<b>Total</b>	<b>2,300</b>	<b>2,703</b>

### Note 36 : Other Expenses

₹ in Lakhs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Power and Fuel Expenses	1,229	1,387
Rent	31	22
Amortisation of Leasehold Land	66	66
Rates and Taxes	66	69
Communication Expenses	49	69
Travelling Expenses	279	288
Bank Charges	25	26
Electricity Charges	105	102
Site Office Expenses	119	182
Legal and Other Professional Costs	687	630
Repair and Maintenance Expenses		
- Buildings (including leased premises)	46	49
- Machinery and Computers	67	112
- Others	124	131
<b>Total</b>	<b>237</b>	<b>292</b>
Audit Fees		
- Audit Fees	20	19
- Tax Audit Fees	3	3
- In Other Capacity	-	0
- Re-imbursement of out of pocket expenses	2	2
<b>Total</b>	<b>25</b>	<b>24</b>
Insurance Charges	123	157
Gain/(Loss) on investments carried at fair value through profit and loss	-	16
Advertisement, Promotion & Selling Expenses	375	154
Interest (Others)	94	83
Liquidated Damages	240	129
Miscellaneous Expenses	613	561
Loss on sale of Current Investments	5	-
Forwarding Expenses	88	243
Allowances for Doubtful Receivables and Bad Debts written off		
- Provided during the year (net)	(1,824)	(2,969)
- Bad Debts written off	3,721	2,412
<b>Total</b>	<b>1,897</b>	<b>(557)</b>
Donations	0	-
Foreign Exchange (Gain) / Loss (net)	-	-
<b>Total</b>	<b>6,353</b>	<b>3,943</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****37 Details of impact of Ind AS 115**

The Company has adopted Ind AS 115 w.e.f April 1, 2018. As per the terms of contract with certain customers, the company has not complied with the delivery terms and have recognised revenue on despatches after the contractual delivery period. Based on the terms of the contract ₹ 176.25 lakhs (P.Y. ₹ 120.41 lakhs) have been recognised as a contract liability and revenue have been recognised by reducing an equivalent amount as the same is a variable component.

**38 Details of the investment property and its fair value**

The fair value of the Company's investment properties as at March 31, 2019 have been arrived at on the basis of a valuation carried out as of the respective dates by an independent valuer. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair value was derived using :

- market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.
- capitalization of net income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighborhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

Description	₹ in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Land	189	189
<b>Total</b>	<b>189</b>	<b>189</b>

**39 Financial Instruments and Risk Review****Financial Risk Management Framework**

Walchandnagar Industries Limited is exposed primarily to fluctuations in foreign currency exchange rates, credit, liquidity, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

**Credit Risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled revenue, investments, derivative financial instruments, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 35,297.72 lakhs (March 31, 2019- ₹ 46,949.73 lakhs) being the total of the carrying amount of balances with banks, bank deposits, trade receivables, unbilled revenue and other financial assets.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is called on.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### Trade receivables

IND AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable and unbilled revenue as of March 31, 2020. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The expected credit loss allowance is based on the receivables bifurcated based on the division to which they pertain and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

### Movement in the expected credit loss allowance:

Description	₹ in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	5,760	8,750
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(1,824)	(2,990)
<b>Balance at the end of the year</b>	<b>3,936</b>	<b>5,760</b>

### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

#### a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, ZAR against the respective functional currencies of Walchandnagar Industries Limited.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Based on materiality the Company does not hedge any assets.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the respective functional currencies of Walchandnagar Industries Limited.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)**

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

<b>Particulars</b>	<b>Currency</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Financial Assets	USD	<b>5,885</b>	10,194
	EUR	<b>0</b>	123
	Others	<b>1,124</b>	426
Financial Liabilities	USD	<b>3,690</b>	6,165
	EUR	<b>1</b>	90
	Others	<b>1,356</b>	-

Of the above foreign currency exposures, the complete exposure is not hedged.

**Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

**40 Current Tax and Deferred Tax****Income Tax Expense**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
₹ in Lakhs		
<b>Current Tax:</b>		
In respect of current period	-	-
<b>Deferred Tax</b>		
In respect of current period	-	-
<b>Total Income Tax Expense recognised</b>	<b>-</b>	<b>-</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	₹ in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Profit before income taxes	(6,546)	(214)
Enacted tax rates in India	26.00%	34.61%
Income tax expense calculated at enacted rate	(1,702)	(74)
Short/(excess) provision for earlier years	-	-
Effect of unrecognized deferred tax assets	1,702	74
<b>Income tax expense recognised in profit or loss</b>	-	-

The tax rate used for the above reconciliations are the rates as applicable for the respective periods payable by corporate entities in India on taxable profits under the India tax laws.

### Deferred Tax:

The following is the analysis of Deferred Tax Assets presented in the Balance Sheet:

Particulars	₹ in Lakhs	
	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	247	232
Deferred tax liabilities	(247)	(232)
<b>Deferred tax assets (net)</b>	-	-

### Deferred tax Asset is recognised to the extent of Deferred tax liability

The tax effect of significant timing differences that has resulted in deferred tax assets are given below:

Particulars	For the year ended March 31, 2020			
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Closing balance
Employee Benefits	474	(42)	-	432
Property, Plant and Equipment	(232)	(15)	-	(247)
Provisions	2,122	(811)	-	1,311
Unabsorbed Losses	2,019	173	-	2,192
Unabsorbed Depreciation	1,998	(220)	-	1,778
<b>Net Deferred Tax Assets</b>	<b>6,381</b>	<b>(915)</b>	-	<b>5,466</b>

Particulars	For the year ended March 31, 2019			
	Opening balance	Recognised in Profit and loss	Recognised in OCI	Closing balance
Employee Benefits	464	10	-	474
Property, Plant and Equipment	(298)	66	-	(232)
Provisions	2,941	(819)	-	2,122
Unabsorbed Losses	1,897	122	-	2,019
Unabsorbed Depreciation	2,182	(184)	-	1,998
<b>Net Deferred Tax Assets</b>	<b>7,186</b>	<b>(805)</b>	-	<b>6,381</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****41 Earnings in Foreign Currency**

	<b>March 31, 2020</b>	March 31, 2019
Export of goods calculated on FOB basis	<b>968</b>	2,075
Export of Service	<b>12</b>	20
Overseas Site - Ethiopia	<b>324</b>	-
<b>Total</b>	<b>1,304</b>	2,095

**42 Value of Imports on CIF basis in respect of**

	<b>March 31, 2020</b>	₹ in Lakhs March 31, 2019
Raw Materials	<b>1,554</b>	893
Components & Spare parts	<b>623</b>	538
Capital goods	<b>606</b>	157
<b>Total</b>	<b>2,783</b>	1,588

**43 Expenditure in Foreign currency**

	<b>March 31, 2020</b>	₹ in Lakhs March 31, 2019
Travelling expenses	<b>55</b>	39
Commission and Others	<b>3</b>	7
Overseas Site - Ethiopia	<b>756</b>	79
<b>Total</b>	<b>814</b>	125

**44 Earnings per Share (Basic and Diluted)**

	<b>March 31, 2020</b>	₹ in Lakhs March 31, 2019
i) Net Profit/ (Loss) after Tax as per Statement of Profit and loss attributable to Equity Shareholders (₹ In lakhs)	<b>(6,546)</b>	(214)
ii) Weighted average no of equity shares of ₹ 2 Each outstanding during the year	<b>38,070,205</b>	38,070,205
iii) Earning per Share of face value of ₹ 2 each	<b>(17.20)</b>	(0.56)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### 45 Related Party Disclosures

Related party disclosures as required under Ind AS 24 (Related Party Disclosures), specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 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 of Chairman
Mr. Chirag C. Doshi	Managing Director
Mrs. Kanika G. Sanger	Daughter of Chairman
Mrs. Tanaz Chirag Doshi	Wife of Managing Director

**ii) Key Management personnel and relatives:**

Name of the individual	Designation / Relation
Mr. G. K. Pillai	Managing Director & CEO (upto March 31,2020)
Mr. Chirag C. Doshi	Managing Director
Mr. G. S. Agrawal	Vice President (Legal & Taxation) & Company Secretary
Mr. Vivek Jain	Chief Financial Officer ( upto July 11, 2018)
Mr. A. Srikant	Chief Financial Officer ( From July 3, 2018 to December 3, 2018)
Mr. Sandeep Jain	Chief Financial Officer ( From May 22, 2019)

**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	(Application for closure of Company in form STK 2 is filled on 13.03.2019)
Chirag Doshi HUF	Walchand Projects Pvt. Ltd.
Chiranika Enterprises	(Application for closure of Company in form STK 2 is filled on 13.03.2019)
Chiranika Corporation	Walchand Power Systems Pvt. Ltd.
Chiranika Properties	(Application for closure of Company in form STK 2 is filled on 14.03.2019)
Walchand Botanicals Pvt. Ltd.	Walchand Oil & Gas Pvt. Ltd.
Rodin Holdings Inc.	(Application for closure of Company in form STK 2 is filled on 13.03.2019)
Walchand Ventures LLP	Walchand Leisure Realty Pvt. Ltd.
Hereford Properties Limited Inc.	(Application for closure of Company in form STK 2 is filled on 13.03.2019)
Trust Finlease Pvt. Ltd.	Walchand BMH Pvt. Ltd.
GS Agrawal HUF	(Application for closure of Company in form STK 2 is filled on 13.03.2019)
	Walchand Solar Pvt. Ltd.
	(Application for closure of Company in form STK 2 is filled on 14.03.2019)



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****46 Related Party Disclosures**

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.

₹ in Lakhs

Particulars	Individuals mentioned in (i) above	Key Management Personnel as mentioned in (ii) above	Relatives of Key as mentioned in (ii) above	Enterprises mentioned in (iii) above	Total
	Current Year	Current Year	Current Year	Current Year	Current Year
	Previous Year	Previous Year	Previous Year	Previous Year	Previous Year
	Transactions				
<b>Receiving of Services</b>					
Mr. Chakor L. Doshi	7	-	-	-	7
	-	-	-	-	-
Bombay Cycle & Motors Agency Ltd.	-	-	-	30	30
	-	-	-	30	30
<b>Sub-Total</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>37</b>
	-	-	-	30	30
<b>Interest on Un-secured Loan</b>					
Chakor L Doshi HUF	2	-	-	-	2
	-	-	-	-	-
Kanika G Sanger	2	-	-	-	2
	-	-	-	-	-
<b>Sub-Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>
	-	-	-	-	-
<b>Reimbursement of expenses</b>					
Bombay Cycle & Motors Agency Ltd.	-	-	-	1	1
	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
	-	-	-	-	-
<b>Managerial Remuneration #</b>					
Mr. Chirag C. Doshi	-	119	-	-	119
	-	118	-	-	118
Mr. G. K. Pillai	-	91	-	-	91
	-	104	-	-	104
Mr. G. S. Agrawal	-	38	-	-	38
	-	34	-	-	34
Mr. Vivek Jain	-	-	-	-	-
	-	13	-	-	13
Mr. A Shrikant	-	-	-	-	-
	-	11	-	-	11
Mr. Sandeep Jain	-	57	-	-	57
	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>305</b>	<b>-</b>	<b>-</b>	<b>305</b>
	-	280	-	-	280

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

₹ in Lakhs

Particulars	Individuals mentioned in (i) above	Key Management Personnel as mentioned in (ii) above	Relatives of Key as mentioned in (ii) above	Enterprises mentioned in (iii) above	Total
	Current Year	Current Year	Current Year	Current Year	Current Year
	Previous Year	Previous Year	Previous Year	Previous Year	Previous Year
<b>Unsecured Loan-Received</b>					
Chakor L Doshi HUF	200	-	-	-	200
	-	-	-	-	-
Kanika G. Sanger	200	-	-	-	200
	-	-	-	-	-
<b>Sub-Total</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400</b>
	-	-	-	-	-
<b>Unsecured Loan -Repayment</b>					
Chakor L Doshi HUF	200	-	-	-	200
	-	-	-	-	-
Kanika G Sanger	200	-	-	-	200
	-	-	-	-	-
<b>Sub-Total</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>400</b>
	-	-	-	-	-
	<b>Outstanding Payable</b>				
<b>Receiving of Services</b>					
Bombay Cycle & Motors Agency Ltd.	-	-	-	6	6
	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>6</b>
	-	-	-	-	-
<b>Reimbursement of expenses</b>					
Walchand Chiranika Trading Pvt Ltd	-	-	-	-	-
	-	-	-	0	0
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-	0	0
<b>Managerial Remuneration #</b>					
Mr. Chirag C. Doshi	-	3	-	-	3
	-	2	-	-	2
Mr. G. K. Pillai	-	5	-	-	5
	-	6	-	-	6
Mr. G. S. Agrawal	-	2	-	-	2
	-	1	-	-	1
Mr. Sandeep Jain	-	4	-	-	4
	-	-	-	-	-
<b>Sub-Total</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>14</b>
	-	9	-	-	9

# The breakup of compensation of key management personnel is as follows:

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)**

Compensation of KMP's/ relative of KMP	Chirag Doshi	G. K. Pillai	Mr. G. S. Agrawal	Mr. Vivek Jain	Mr. A Shrikant	Sandeep Jain
Short Term Benefits	119	91	38	-	-	57
	118	104	34	13	11	-
<b>Total</b>	<b>119</b>	<b>91</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>57</b>
	118	104	34	13	11	-

@ employment benefits comprising gratuity, and compensated absences are not disclosed as these are determined for the Company as a whole

**47 Fair value measurements****Financial instruments by category:**

₹ in lakhs

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments:						
- equity instruments	-	8	-	79	148	
- mutual funds	-	-	-	91	-	
Trade receivables	-	-	25,514	-	-	32,941
Cash and cash equivalents	-	-	321	-	-	2,677
Other bank balances	-	-	3,986	-	-	6,305
Others	-	-	5,469	-	-	4,707
<b>Total financial assets</b>	-	8	35,290	170	148	46,630
<b>Financial liabilities</b>						
Borrowings	-	-	38,061	-	-	41,885
Trade payables	-	-	-	-	-	-
Other financial liabilities	-	-	9,628	-	-	10,113
<b>Total financial liabilities</b>	-	-	47,688	-	-	51,998

**(i) Fair value hierarchy:**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

- recognised and measured at fair value, and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial investments at FVTPL</b>					
Mutual funds	11	-	-	-	-
Equity instruments	11	-	-	-	-
<b>Financial investments at FVOCI</b>					-
Equity instruments	6	8	-	-	8
<b>Total financial assets</b>		<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Financial investments at FVTPL</b>					
Mutual funds	11	91	-	-	91
Equity instruments	11	79	-	-	79
<b>Financial investments at FVOCI</b>					-
Equity instruments	6	144	-	1	145
<b>Total financial assets</b>	-	<b>314</b>	<b>-</b>	<b>1</b>	<b>315</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchange is valued using the closing price as at the reporting period.

Level 2: Fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) but is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification assets.

### 48 Disclosure pursuant to Ind AS 19 -Employee Benefits

#### (i) Defined Contribution Plan

The Company makes contributions to Provident Fund and Superannuation Fund which are defined contribution plans for qualifying employees. Under these Schemes, the Company contributes a specified percentage of the payroll costs to the respective funds.

The Company recognized expense in the Statement of Profit and Loss amounting to:

- ₹ 429.49 Lakhs (March 31, 2020: ₹ 413.44 Lakhs) for Provident Fund contributions,
- ₹ 4.22 Lakhs (March 31, 2019: ₹ 15.90 Lakhs) for Superannuation Fund contributions.

The contributions to these plans are made at specified percentage/applicable amounts.

Contributions to defined contribution plans for key management personnel have been disclosed as per Note 45

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****(ii) Defined Benefit Plan**

The defined benefit plan comprises of gratuity. The gratuity plan is funded. Changes in the present value of Defined Benefit Obligation (DBO) are representing reconciliation of opening and closing balances thereof and fair value of Trust Fund Receivable recognized in the Balance Sheet is as under:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Gratuity (Funded)</b>	<b>Gratuity (Funded)</b>	<b>Compensated Absence (Non Funded)</b>	<b>Compensated Absence (Non Funded)</b>
		<b>March 31,2020</b>	<b>March 31,2019</b>	<b>March 31,2020</b>	<b>March 31,2019</b>
<b>I</b>	<b>Expense recognised in the statement of Profit and Loss</b>				
(a)	Current Service Cost	<b>110</b>	101	<b>132</b>	127
(b)	Interest Cost	<b>98</b>	96	<b>14</b>	13
(c)	Past Service Cost- (vested benefits)	-	-	-	-
(d)	Actual return on plan assets	-	-	-	-
(e)	Actuarial Loss/(Gain)	-	-	-	-
(f)	Total Expense recognized in the Statement of Profit and Loss	<b>209</b>	197	<b>146</b>	140
<b>II</b>	<b>Net Liability recognized in the Balance Sheet</b>				
(a)	Present Value Defined Benefit Obligation	<b>1,563</b>	1,459	<b>201</b>	206
(b)	Fair Value of Plan Assets	<b>157</b>	125	-	-
(c)	Net Assets/(Liabilities)	<b>(1,405)</b>	(1,334)	<b>(201)</b>	(206)
<b>III</b>	<b>Change in Defined Benefit Obligation (DBO)</b>				
(a)	Present Value of Defined Benefit Obligation at the beginning of the period	<b>1,459</b>	1,313	<b>201</b>	206
(b)	Current Service Cost	<b>110</b>	101	<b>132</b>	127
(c)	Interest Cost	<b>100</b>	101	<b>14</b>	13
(d)	Past Service Cost- (vested benefits)	-	-	-	-
(e)	Actuarial Loss/(Gain)#	<b>141</b>	255	<b>(56)</b>	(68)
(f)	Benefits Paid	<b>(136)</b>	(1)	<b>(35)</b>	(77)
(g)	Benefits Paid by the company	<b>(111)</b>	(312)	-	-
(h)	Present Value of Defined Benefit Obligation at the year end	<b>1,563</b>	1,457	<b>256</b>	201
	<b># Composition of Actuarial Gain / Losses</b>				
	Actuarial (gain)/loss – experience	<b>42</b>	253	<b>(75)</b>	(69)
	Actuarial (gain)/loss – demographic assumptions	-	-	-	-
	Actuarial (gain)/loss – financial assumptions	<b>99</b>	2	<b>20</b>	-
	<b>Total Actuarial (Gain) / Loss</b>	<b>141</b>	255	<b>(56)</b>	(69)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

Sr. No.	Particulars	Gratuity (Funded)	Gratuity (Funded)	Compensated Absence (Non Funded)	Compensated Absence (Non Funded)
		March 31,2020	March 31,2019	March 31,2020	March 31,2019
<b>IV</b>	<b>Change in the Fair Value of Plan Assets</b>				
(a)	Plan Assets at the beginning of the year	125	18	-	-
	Adjustments	(1)	-	-	-
(b)	Actual Return on Plan Assets	9	(1)	-	-
	Interest Income	2	5	-	-
(c)	Actual Company Contributions	158	103	35	77
(d)	Benefits paid	(136)	(1)	(35)	(77)
(e)	Fair Value of Plan Assets	157	125	-	-
<b>V</b>	<b>Actuarial Assumptions</b>				
(a)	Discount Rate (per annum)	6.77%	7.66%	6.77%	7.66%
(b)	Expected Rate of Return on Assets (per annum)	-	-	-	-
(c)	Rate of Increase in Compensation Levels (per annum)	3.50%	3.50%	3.50%	3.50%
(d)	Mortality Table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Year ending	Gratuity	Compensated Absence
Within 1 year	305	57
Between 1 - 2 years	182	13
Between 2 - 3 years	356	13
Between 3 - 4 years	127	13
Between 4 - 5 years	68	10
Beyond 5 years	377	62

Weighted Average duration of defined benefit obligation:

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

#### Gratuity

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1. Effect on DBO	1,453	1,370	1,692	1,562

B. Effect of 1 % change in the assumed Salary Escalation Rate	1% Increase		1% Decrease	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1. Effect on DBO	1,693	1,563	1,450	1,368

#### Compensated Absence

A. Effect of 1 % change in the assumed discount rate	1% Increase		1% Decrease	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1. Effect on DBO	234	183	282	221

B. Effect of 1 % change in the assumed Salary Escalation Rate	1% Increase		1% Decrease	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1. Effect on DBO	282	222	234	183

The sensitivity results above determine their individual impact on Plan's end of year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

### 49 Segment Reporting

#### I PRIMARY SEGMENTS

₹ In lakhs

Particulars	Heavy Engineering		Foundry and Machine Shop		Others		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Revenue</b>								
Net Revenue	23,628	27,956	4,700	6,689	1,759	1,837	30,087	36,482
Less: Inter-segment Revenue	113		163	67	6	9	282	76
	23,515	27,956	4,537	6,622	1,753	1,828	29,805	36,406
<b>Results</b>								
<b>Segment Result</b>	3,617	8,616	(272)	3	221	294	3,566	8,913
Unallocable Expenses net of Unallocable Income							481	1,076
Operating Profit							3,085	7,837
Finance Cost							8,652	8,051
Profit Before Tax							(5,567)	(214)
Taxes on Income							-	-
Profit from ordinary activities							-5,567	-214
<b>Other information</b>								
<b>Segment Assets</b>	93,425	101,976	5,275	5,773	4,416	4,550	103,116	112,299
(including revaluation)								
Unallocated Corporate Assets							1,497	4,309
Total Assets							104,613	116,608
<b>Segment Liabilities</b>	73,249	73,718	2,168	7,171	625	651	76,043	81,540
Unallocated Corporate Liabilities							1,663	1,534
<b>Total Liabilities</b>							77,706	83,074
<b>Capital Expenditure</b>	1,201	706	1	4	2	10	1,204	720
Unallocated Capital Expenditure							-	-
							1,204	720
<b>Depreciation</b>	913	1,307	65	26	13	44	991	1,377
(Net of Revaluation)								
Unallocated Depreciation							-	-
<b>Total Depreciation</b>							991	1,377
Non Cash Expenses (other than depreciation)								
Allocated Non Cash Expenses							-	-
Unallocated Non Cash Expenses							-	-
Total Non Cash Expenses							-	-



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

## I PRIMARY SEGMENTS

Particulars				₹ In lakhs	
	Heavy Engineering	Foundry and Machine Shop	Others	Total	
II SECONDARY SEGMENTS					
External Revenue by Location of Customers				763	1,534
Total Carrying Amount of Segment Assets (to the extent allocable)				4,644	8,095
Capital expenditure				10	13

## 50 Contingent Liabilities and Commitments

## (a) Claims against the company not acknowledged as debt

- (i) 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.
- (ii) Demand on account of fixation of Annual Rateable Value of Property at Pune, amounting to ₹ 99.02 lakhs (for the period April 1, 2008 to March 31, 2012) was raised by the local authorities (Previous year ₹ 99.02 lakhs). No provision has been made in the books of accounts. The Company has not accepted the liability and the same is sub-judice.
- (iii) The Sales Tax Authority, Maharashtra has raised demand of ₹ 159.83 lakhs (Previous Year ₹ 159.83 lakhs) for 2005-2006 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 protests (included under the head loans and advances).
- (iv) Sales Tax demand for the year 2013-2014 has been received for ₹ 1,080.53 lakhs (Previous Year ₹ 1,080.53 lakhs). The company has filed Appeal with the Joint Commissioner - Sales Tax, Pune. Company does not expect any liability. The Company has paid ₹ 36.50 Lakhs under protest (Included under the head Loans and Advances).
- (v) The Sales tax Authority Maharashtra has raised demand of ₹ 1,087.02 Lakhs ( Previous Year ₹ 1,466.54 lakhs) under Central Sales Tax Act, 1956 for the year 2011-2012. The application for rectification in assessment order was filed with Assessing Authority and the demand was reduced to ₹ 1,155.15 lakhs. The Company has disputed the demand and has preferred an appeal before The Joint Commissioner of Sales Tax, Pune. The Company has paid ₹ 213.50 Lakhs under protest (Included under the head Loans and Advances). The company has applied under Amnesty Scheme - Sales Tax, Pune during the financial year and paid ₹ 20.39 Lakhs under Amnesty Scheme, now the demand has reduced to ₹ 1087.02 lakhs.
- (vi) The Sales tax Authority Maharashtra has raised demand of ₹ 252.13 Lakhs (Previous Year Nil) under Central Sales Tax Act, 1956 for the year 2014-15. The Company has disputed the demand and has preferred an appeal before The Joint Commissioner of Sales Tax, Pune. The Company has paid ₹ 29.60 Lakhs under protest (Included under the head Loans and Advances). The company has partly applied and received order under Amnesty Scheme - Sales Tax, Pune during the financial year and paid ₹ 11.13 Lakhs under Amnesty Scheme, now the demand has reduced to ₹ 224.93 lakhs.
- (vii) Sales Tax Assessment Order with a tax demand of ₹ 918.11 Lakhs (Previous Year Nil) for the year 2015-2016 has been received through email on 02.04.2020 during the lock down period due to COVID 19 Pandemic. The Assessing Officer has not considered One H Form for ₹ 30,75,88,300/- thus excess charged tax and interest on the same therefore error is on record. Once the lockdown is over company will file application for Rectification in the Assessment Order under provisions of CST Act 1956. Due to rectification, demand will be reduced to ₹ 157.93 Lakhs.
- (viii) The Customs Authorities, Chennai have raised demand of ₹ 64.50 lakhs (Previous Year ₹ 64.50 lakhs). Company has disputed the demand and has preferred an appeal before Madras High Court. On the basis of legal opinion the Company does not expect any liability.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

- (ix) The Service Tax Authorities, Shillong have raised demand of ₹ 362.65 lakhs (Previous Year ₹ 362.65 lakhs) on sale of bought out items. 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.
- (x) The Commissioner Central GST, Pune II Commissionerate has issued Order for Service Tax Demand U/s 73(1) & 73(2) along with Penalty U/s 78(1) of the Finance Act, 1994 for ₹ 667.33 Lakhs (Previous Year Nil) and ₹ 667.33 Lakhs (Previous Year Nil) respectively for the Period March 2013 to December 2015. The Company has disputed the demand and has preferred an appeal before The CESTAT Appellate Tribunal, Mumbai. Company has paid ₹ 50.05 lakhs under protests (included under the head loans and advances).
- (xi) The Central Excise Authorities have raised a demand of ₹ Nil (Previous Year - ₹ 377.84 lakhs). denying the exemption from the excise duty on non-conventional energy devices/ systems supplied by the Company. The company has paid ₹ 111.64 lakhs under protest and has preferred an appeal which is pending before CESTAT, Mumbai. The case has been decided by CESTAT Tribunal in Company's Favour and department has not gone for further appeal. Therefore demand is closed.
- (xii) The Central Excise Authorities have raised various demands pertaining to various years of ₹ Nil (Previous Year ₹ 188.95 lakhs) on bought out items supplied for Centrifugals, which has already suffered duty at manufacturers' end. The Company has disputed the demands and has preferred appeals which were pending before the CESTAT Tribunal / Supreme court. Company has discharged a liability of ₹ 29.53 lakhs by reversal of CENVAT availed and paid ₹ 10 lakhs under protest. During the financial year the company has closed all Tax Demands under the SVLDRS Scheme.
- (xiii) The Central Excise Authorities have raised demand of ₹ Nil (Previous Year 2.47 lakhs) 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. During the financial year the company has closed all Tax Demands under the SVLDRS Scheme.
- (xiv) Company has received a demand of ₹ 50.68 lakhs (Previous Year ₹ 50.68 lakhs) from Employee's Provident Fund office. The company has contested the demand raised, and filed a writ petition with Mumbai High Court. No provision is being made against the same based on the legal advice.
- (xv) Certain cases filled against the company by the Ex-employees of Heavy Engineering Division and Foundry Division for compensation are pending before the labour courts - Amounts unascertained.
- (xvi) A customer of the Company has claimed to deduct Liquidated Damages amounting to ₹ 643 lakhs (Previous Year - ₹ 643 lakhs) due to delay in supplies/ services during the current period. The Company contends that based on discussion with the client the scope and duration of the contract will be amended. The Company is confident that such liquidated damages shall be waived off by the customer.

### (b) Guarantees

Counter Guarantees by the company in respect of guarantees given by banks.

As at March 31, 2020	As at March 31, 2019
<b>45,977</b>	53,006

The Counter Guarantees by the company in respect of guarantees given by banks are considered till Claim Period for reporting purpose.

### (c) Commitments

Estimated amount of Contracts remaining to be executed on Capital Accounts not provided for (Net of advance)

As at March 31, 2020	As at March 31, 2019
<b>364</b>	453

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable. The Company does not expect the outcome of these proceedings to have materially adverse effect.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)****51 Disclosure as per amendment to clause 32 of the Listing Agreement**

₹ In lakhs

Particulars	Outstanding Balance		Maximum Balance during the year	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1. Loans and Advances in the nature of Loans to Subsidiaries	-	-	-	-
2. Loans and Advances in the nature of Loans to associates	-	-	-	-
3. Loans and advances in the nature of loans to firms/companies in which directors are interested	-	-	-	-

**52 The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:**

₹ In lakhs

Particulars	March 31, 2020	March 31, 2019
Principal Amount due and remaining unpaid	519	748
Interest due and the unpaid interest	24	23
Interest accrued and remaining unpaid	24	23
Amount of further interest remaining due and payable in succeeding years	24	23

**53** Balance under the head 'Trade Receivables', 'Trade Payables', 'Loan and Advances Receivable and Payable' are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any, on reconciliation thereof.

**54** Inventory of work in progress includes ₹ 2194.21 lakhs of non moving inventory relating to orders which have been cancelled or kept on hold. The Company contains that this stock will either be liquidated or diverted to other projects without any loss arising therefrom. Hence no provisions has been made in the books of accounts.

**55** Due to spread of COVID-19, businesses are being forced to close the operations for long periods of time due to lockdown declared by State and Central Govt. Measures taken to contain the spread of the virus were travel bans, quarantines, social distancing, and closures of non-essential services etc. As a result of the lockdown, company could not conduct physical verification of Inventories as at March 31, 2020. However, after easing of lockdown, the management could do it on April 28, 2020. For arriving at stock position as at March 31, 2020, the management used reverse calculation after adjusting impact of all inward and outward movement of materials between April 1 to April 28, 2020. Since, due to lockdown, there were no real movement of materials during the intervening period.

**56 COVID-19 Impact to operations**

The spread of COVID-19 has severely impacted the economy around the globe. In our country, businesses are being forced to close the operations for long periods of time due to lockdown declared by Govt. of India. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown. Government and Reserve Bank of India have also responded with monetary and fiscal interventions to stabilise economic conditions.

The consequences of the COVID-19 outbreak have materially and adversely affected the supply chain, Production and logistics during lockdown period and therefore, Company's operating results have been negatively impacted. The Company had sales deferral and operating losses due to COVID-19 quantified till 31 March, 2020 from operations as follows:

**Sales deferral: ₹ 1,910 Lakhs**

**Operating Loss Incurred: ₹ 570 Lakhs**

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables and Inventory as at the reporting period and has concluded that there are no material adjustments required in the financial results. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (CONTD.)

results. To mitigate the working capital gap company has availed Emergency Credit Line of ₹ 2,200 Lacs from State Bank of India & Bank of India in order to continue its operations. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

### 57 Right to Use / Lease Hold Land -

The Company has a Lease Hold Land at Dahej. The same is amortised over lease period.

₹ In lakhs

Particulars	March 31, 2020	March 31, 2019
A. Gross Value of Lease Hold Land	1,500	1,500
B. Less - Accumulated Amortisation		
P. Opening Accumulated Amortisation	197	132
Q. Add - Amortisation during the year	66	66
R. Closing Accumulated Amortisation	263	197
C. Net Value as at Balance sheet Date	1,237	1,303

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

### As per our report of even date

For **Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

FRN.: 104184W/W100075

### Ashish Sheth

Designated Partner

Membership No.: 107162

Date: June 26, 2020

Place: Mumbai

### For Walchandnagar Industries Limited

#### Chirag C. Doshi

Managing Director & CEO

DIN- 00181291

#### Sandeep Jain

Chief Financial Officer

Date: June 26, 2020

Place: Mumbai

#### Dilip J. Thakkar

Director

DIN- 00007339

#### G. S. Agrawal

Vice President (Legal & Taxation)  
& Company Secretary

## Important Statistical Data from 1908-09 to 2019-2020

₹ in Lakhs

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				
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%

₹ in Lakhs

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				
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	-
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%

₹ in Lakhs

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				
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%
2014-2016	761.40	–	55433.30	–	105699.36	56101.51	80212.36	-7168.45	–	–
2016-2017	761.40	–	46931.18	–	105998.44	52548.56	39791.05	-6425.63	–	–
2017-2018	761.00	–	33143.00	5700	43129.00	36385.00	39841.00	-2540.00	–	–
2018-2019	761.00	–	32773.00	5700	43325.00	34215.00	36405.00	-214.00	–	–
2019-2020	761.00	–	26147.00	5700	44491.00	33120.00	29805.00	-6546.00	–	–

**NOTES:**

1. \* Subject to Depreciation.
2. \*\* Including the effect of Revaluation of certain fixed assets.
3. 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.
4. 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.
5. 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.
6. \*\*\* Includes Preference Dividend for the years. 1985-86, 1986-87, 1987-88, 1988-89, 1989-90.
7. 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.
8. 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.
9. Including the effect of Revaluation of certain fixed assets as on 01-10-96 ₹ 7965.60 Lakhs.
10. Including the effect of Revaluation of certain fixed assets as on 01-04-2002 (vii) Gross Amount written up ₹ 5449.30 Lakhs.
11. Including the effect of Revaluation of certain fixed assets as on 01-10-2007 (viii) Gross Amount written up ₹ 11263.32 Lakhs.
12. Including the effect of Revaluation of certain fixed assets as on 30-09-2013 (ix) Gross Amount written up ₹ 35510.41 Lakhs.
13. Figures upto F.Y. 2016-17 as per Indian GAAP.
14. Figures for F.Y. 2017-18 as per Indian AS.
15. Figures from F.Y 2017-18 are as per IND-AS.

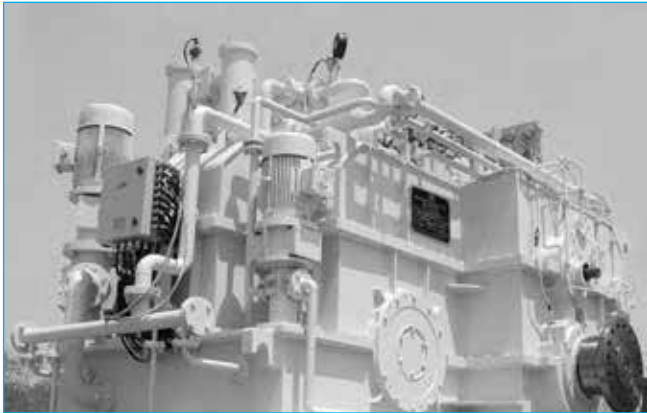




## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.





"Offshore Patrol Vessel" Gearbox ready for dispatch from Walchandnagar

"Hairpin Heat Exchanger" for NPCIL ready for dispatch



Dignitaries from ISRO visiting Walchandnagar Facility

Slide Shoe Bearing Ball Mill for Clinker Grinding unit ready for dispatch at Walchandnagar





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