

11th February, 2017

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir / Madam,

Sub: Outcome of Board Meeting & Unaudited Financial Results for the quarter and nine months ended 31st December 2016.

Ref: NSE Symbol: **WABAG** / BSE Scrip Code: **533269**

1. The Board of Directors ("Board") of the Company met today, the 11th February, 2017 to consider and approve the unaudited financial results of the Company (both standalone and consolidated) for the quarter and nine months ended 31st December 2016. A copy of the unaudited financial results in the prescribed format, reviewed by the Audit Committee and approved by the Board along with the limited review report of the Statutory Auditors is enclosed herewith. Also please find enclosed a copy of the press release issued by the Company in this regard.
2. The Board has appointed Mr. R Swaminathan, as Company Secretary and Compliance Officer of the Company with effect from today (ie. 11.02.2017). The brief profile of Mr R Swaminathan, a KMP of the Company is enclosed herewith.
3. The Stakeholders Relationship Committee of the Board at their meeting held today allotted 11,375 equity shares of Rs.2/- each to the eligible employees under the prevailing ESOP Scheme of the Company.
4. The meeting of the Board of Directors commenced at 12.00 Noon & concluded at 6.00 PM

The unaudited financial results of the Company for the quarter and nine months ended 31st December 2016 is also available on Company's website at www.wabag.com.

Kindly take note of the above.

Thanking you,

For **VA TECH WABAG LIMITED**


Parthasarathy Gopalan
Chief Financial Officer



Encl: as above

Sustainable solutions, for a better life



VA TECH WABAG LIMITED

CIN: L45205TN1995PLC030231

Regd. office: "WABAG HOUSE" No.17, 200 Feet Thorapakkam - Pallavaram Main Road, Sunambur Kolathur, Chennai 600 117.

Website: www.wabag.com | email: companysecretary@wabag.in

(Rs. in Lakhs)

Sl. No	Particulars	STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE						STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE					
		Quarter Ended			Nine Months Ended			Quarter Ended			Nine Months Ended		
		31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015		31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Income from operations												
	a) Net Sales/Income from operations (Net of excise duty)	71,302	77,705	61,018	2,06,948	1,65,740	37,264	44,851	37,134	1,07,665	94,969		
	b) Other operating income	530	55	46	669	210	818	508	278	1,778	839		
	Total Income from operations (net) (a) + (b)	71,832	77,760	61,064	2,07,617	1,65,950	38,082	45,359	37,412	1,09,463	95,808		
2	Expenses												
	a. Cost of materials consumed	54,767	66,263	50,692	1,69,790	1,34,178	27,964	39,402	31,059	89,803	76,568		
	b. Changes in inventories	(764)	(3,304)	(2,821)	(6,491)	(4,837)	(1,062)	(3,442)	(2,176)	(7,530)	(3,844)		
	c. Employee benefits expense	6,578	6,207	5,162	18,575	15,307	2,671	2,682	2,335	7,627	7,008		
	d. Depreciation and amortisation expense	464	473	498	1,394	1,538	231	237	294	707	910		
	e. Other expenses	3,307	2,790	3,586	9,248	9,269	1,216	1,623	2,243	4,811	5,413		
	Total expenses (a+b+c+d+e)	64,352	72,429	57,117	1,92,516	1,55,465	31,020	40,502	33,753	95,418	86,055		
3	Profit/(Loss) from operations before finance costs, Foreign exchange fluctuation (Gain)/Loss and exceptional items (1) - (2)	7,480	5,331	3,947	15,101	10,495	7,062	4,857	3,659	14,045	9,753		
4	Foreign Exchange Fluctuation (Gain)/ Loss	(219)	(45)	151	(720)	(54)	(54)	12	101	(1,053)	(461)		
5	Profit/(Loss) from operations before finance Costs and exceptional items (3) - (4)	7,699	5,376	3,796	15,821	10,549	7,116	4,845	3,558	15,098	10,214		
6	Interest and Finance Charges/(Income) (Net of Interest and Dividend Income)	1,244	943	998	3,283	2,690	607	504	468	1,574	901		
7	Profit/(Loss) from ordinary activities after finance Costs but before exceptional items (5) - (6)	6,455	4,433	2,798	12,538	7,859	6,509	4,341	3,090	13,524	9,313		
8	Exceptional items	-	-	-	-	-	6,432	-	-	6,432	-		
9	Profit/(Loss) from ordinary activities before tax (7) - (8)	6,455	4,433	2,798	12,538	7,859	77	4,341	3,090	7,092	9,313		
10	Tax expense	446	1,862	1,152	3,402	3,626	27	1,503	1,012	2,455	3,157		
11	Net Profit/(Loss) from ordinary activities after tax (9) - (10)	6,009	2,571	1,646	9,136	4,233	50	2,838	2,078	4,637	6,156		
12	Extraordinary items	-	-	-	-	-	-	-	-	-	-		
13	Net Profit/(Loss) for the period (11) - (12)	6,009	2,571	1,646	9,136	4,233	50	2,838	2,078	4,637	6,156		
14	Share of Profit/(Loss) of Associates	(6,046)	83	245	(5,860)	(1,750)	-	-	-	-	-		
15	Minority Interest	219	250	(31)	609	123	-	-	-	-	-		
16	Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (13)+(14)-(15)	(256)	2,404	1,922	2,667	2,360	50	2,838	2,078	4,637	6,156		
17	Other Comprehensive Income (after tax)	(690)	963	(131)	248	(799)	(27)	(27)	(10)	(81)	(34)		
18	Total Comprehensive Income (16) + (17)	(946)	3,367	1,791	2,915	1,561	23	2,811	2,068	4,556	6,122		
19	Paid-up equity share capital (face value Rs 2/- each)	1,091	1,090	1,090	1,091	1,090	1,091	1,090	1,090	1,091	1,090		
20i	Earnings Per Share (EPS) (before extraordinary items) (of Rs. 2 each) (not annualized, adjusted for bonus shares issued)												
	a) Basic (Rs.)	(0.47)	4.41	3.53	4.89	4.34	0.09	5.21	3.82	8.51	11.32		
	b) Diluted (Rs.)	(0.47)	4.39	3.53	4.88	4.33	0.09	5.18	3.81	8.48	11.30		
20ii	Earnings Per Share (EPS) (after extraordinary items) (of Rs. 2 each) (not annualized, adjusted for bonus shares issued)												
	a) Basic (Rs.)	(0.47)	4.41	3.53	4.89	4.34	0.09	5.21	3.82	8.51	11.32		
	b) Diluted (Rs.)	(0.47)	4.39	3.53	4.88	4.33	0.09	5.18	3.81	8.48	11.30		

Particulars	CONSOLIDATED						STANDALONE					
	Quarter Ended			Nine Months Ended			Quarter Ended			Nine Months Ended		
	31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015
1. Segment Revenue	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
India	25,777	26,548	25,310	71,693	67,550	25,777	26,548	25,310	71,693	67,550		
Rest of world	47,244	53,507	39,723	1,41,612	1,05,031	11,487	18,303	11,824	35,992	27,419		
Total	73,021	80,055	65,033	2,13,305	1,72,581	37,264	44,851	37,134	1,07,685	94,969		
Less: Inter Segment Revenue	1,719	2,350	4,015	6,357	6,841	-	-	-	-	-		
Net Sales/Income From Operations	71,302	77,705	61,018	2,06,948	1,65,740	37,264	44,851	37,134	1,07,685	94,969		
2. Segment Results (Profit/Loss before interest, tax and other unallocable items)												
India	4,328	4,653	5,370	13,999	14,173	4,328	4,653	5,370	13,999	14,173		
Rest of world	12,971	10,093	7,777	29,650	22,226	6,034	4,238	2,883	11,413	8,072		
Total	17,299	14,746	13,147	43,649	36,399	10,362	8,891	8,253	25,412	22,245		
Less: (i) Interest and bank charges, net	1,244	943	998	3,283	2,690	607	504	468	1,574	901		
(ii) Other Un-allocable Expenditure net off	10,349	9,470	9,397	29,217	26,114	4,118	4,542	4,973	13,145	13,331		
Add: (i) Un-allocable income	749	100	46	1,389	264	872	496	278	2,831	1,300		
Profit before exceptional items & tax	6,455	4,433	2,798	12,538	7,859	6,509	4,341	3,090	13,524	9,313		
Less: Exceptional item	-	-	-	-	-	6,432	-	-	6,432	-		
Total Profit Before Tax	6,455	4,433	2,798	12,538	7,859	77	4,341	3,090	7,092	9,313		
3. Segment Assets												
India	1,53,332	1,46,279	1,20,124	1,53,332	1,20,124	1,56,210	1,49,156	1,22,931	1,56,210	1,22,931		
Rest of world	1,34,861	1,58,624	1,29,322	1,34,861	1,29,322	30,967	45,619	40,259	30,967	40,259		
Unallocated	24,230	19,292	23,986	24,230	23,986	23,111	18,566	23,466	23,111	23,466		
Total	3,12,423	3,24,195	2,73,432	3,12,423	2,73,432	2,10,288	2,13,341	1,86,656	2,10,288	1,86,656		
4. Segment Liabilities												
India	61,390	61,539	53,545	61,390	53,545	61,390	61,539	53,545	61,390	53,545		
Rest of world	1,23,943	1,31,359	1,02,638	1,23,943	1,02,638	36,716	35,467	30,904	36,716	30,904		
Unallocated	34,214	37,279	32,284	34,214	32,284	33,220	36,539	30,413	33,220	30,413		
Total	2,19,547	2,30,177	1,88,467	2,19,547	1,88,467	1,31,326	1,33,545	1,14,862	1,31,326	1,14,862		

Notes:

- Results for the quarter and nine months ended 31 December 2016 are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, which are applicable to the Company for the accounting periods beginning after 1st April 2016. Consequently, results for the corresponding quarter and nine months ended 31 December 2015 have been restated as per the requirements of the said notification, to comply with Ind AS to make them comparable.
- The Audit Committee has reviewed these results and the Board of Directors have approved the above results at their respective meetings held on 11 February 2017. The statutory auditors of the Company have carried out a limited review of the aforesaid results.
- There is a possibility that these quarterly and nine months' financial results may require adjustments before constituting the final Ind AS financial statements as of and for the year ending 31 March 2017 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS as permitted under Ind AS 101.
- Statement of reconciliation of net profit after tax reported as per previous Indian GAAP (IGAAP) and Ind AS for the quarter and nine months ended 31 December 2015.

Particulars	Consolidated			Standalone		
	Quarter Ended 31/12/2015	Nine months Ended 31/12/2015	Quarter Ended 31/12/2015	Quarter Ended 31/12/2015	Nine months Ended 31/12/2015	Nine months Ended 31/12/2015
Net profit after tax as per previous Indian GAAP	1,890	2,365	2,068	6,122		
Gain/(loss) on fair valuation of investments	(3)	19	(3)	19		
Reclassification of net actuarial gain on employee defined benefit obligations	9	34	9	34		
Revaluation of forward contracts	9	(1)	9	(1)		
Foreign currency impact on change in accounting treatment of Joint Ventures from proportionate consolidation to equity method	22	(39)	-	-		
Deferred taxes on above adjustments (net)	(5)	(18)	(5)	(18)		
Net profit after tax (before Other Comprehensive Income) as per Ind AS	1,922	2,360	2,078	6,156		

5. The Company has reported segment information as per Indian Accounting Standard 108 "Operating Segments" (IND AS 108) read with SEBI's circular dated 5 July 2016. Accordingly the Company has identified the geographical components as its operating segments for reporting and is consistent with performance assessment and resource allocation by the management. Segment revenue comprises sales and operational income allocable specifically to a segment. Un-allocable expenditure mainly includes employee expense, depreciation, foreign exchange loss and other expenses. Un-allocable income primarily includes other operating income and foreign exchange gain.

6. In respect of the Joint Venture in Oman, pursuant to the arbitration award rejecting the claim for waiver of liquidated damages, the Company has made the payment as investment and impaired the same which is disclosed under Exceptional Items.

Place: Chennai
Date: 11 February 2017

For VA TECH WABAG LIMITED

RAJIV MITTAL
MANAGING DIRECTOR & GROUP CEO

Walker Chandiook & Co LLP

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Review Report on Quarterly and year to date Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of VA Tech Wabag Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of VA Tech Wabag Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities for the quarter ended 31 December 2016 and the year to date results for the period 01 April 2016 to 31 December 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



3. Based on our review conducted as above and upon consideration of the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We draw your attention to the following:

- a) Consequent to Section 80IA, being amended by Finance Act 2009, denying the benefit of deduction under this Section to business in the nature of work contracts, with retrospective effect from April, 2000, the Company based on legal opinion believes that this amendment will not impact its eligibility to claim deduction under the said section. Also, based on the legal opinion, the Company has filed writ petition in the High Court, challenging the constitutional validity of the retrospective amendment.

The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the financial statements by the Company for the period from 01 April 2001 to 31 March 2009. However, such a liability on account of possible denial of deduction prospectively from 01 April 2009 has been fully provided as current tax. Pursuant to this, the estimated tax liability for the period from 01 April 2001 to 31 March 2009 amounting to ₹ 2,422 lakhs and interest there upon from 01 April 2001 to 31 December 2016 amounting to ₹ 3,076 lakhs have been considered as contingent liability as at 31 December 2016.

- b) We draw attention to Note 6 of the financial results which states that the Company has made a payment towards liquidated damages into its joint venture ('International Water Treatment LLC') which was accounted as investments into the joint venture, subsequently impaired and based on an opinion of independent tax experts, considered such impairment loss as an allowable business expenditure for computation of provision for income tax liability. The said allowance is subject to certain regulatory approvals and completion of assessment by the tax authorities. Pending such approvals and completion of such assessment, no additional provision for tax liability, if any, has been considered in these financial results.



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5. We did not review the interim financial results of 17 subsidiaries, included in the Statement, whose interim financial results reflect total revenues of ₹ 34,733 lakhs and ₹ 104,095 lakhs for the quarter and period ended 31 December 2016, respectively, net loss after tax and prior period items of ₹ 937 lakhs and ₹ 2,263 lakhs for the quarter and period ended 31 December 2016 respectively. The statement also includes the Group's share of net loss of ₹ 6,046 lakhs and ₹ 5,860 lakhs for the quarter and period ended 31 December 2016 as considered in the statement, in respect of 2 associates and 1 joint venture, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us and our report in respect thereof is based solely on the review reports of such other auditors.

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

Walker Chandiok & Co LLP

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Sumesh E S

per Sumesh E S

Partner

Membership No. 206931



Place: Chennai

Date: 11 February 2017

Walker Chandiook & Co LLP

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Review Report on Quarterly and year to date Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of VA Tech Wabag Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of VA Tech Wabag Limited ("the Company") for the quarter ended 31 December 2016 and the year to date results for the period 01 April 2016 to 31 December 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether this statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



Walker Chandio & Co LLP

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 read with SEBI Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We draw your attention to the following:

- a) Consequent to Section 80LA, being amended by Finance Act 2009, denying the benefit of deduction under this Section to business in the nature of work contracts, with retrospective effect from April, 2000, the Company based on legal opinion believes that this amendment will not impact its eligibility to claim deduction under the said section. Also, based on the legal opinion, the Company has filed writ petition in the High Court, challenging the constitutional validity of the retrospective amendment.

The ultimate outcome of the matter cannot be presently determined and no provision for any liability that may result has been made in the financial statements by the Company for the period from 01 April 2001 to 31 March 2009. However, such a liability on account of possible denial of deduction prospectively from 01 April 2009 has been fully provided as current tax. Pursuant to this, the estimated tax liability for the period from 01 April 2001 to 31 March 2009 amounting to ₹2,422 lakhs and interest there upon from 01 April 2001 to 31 December 2016 amounting to ₹3,076 lakhs have been considered as contingent liability as at 31 December 2016.

- b) We draw attention to Note 6 of the financial results which states that the Company has made a payment towards liquidated damages into its joint venture ('International Water Treatment LLC') which was accounted as investments into the joint venture, subsequently impaired and based on an opinion of independent tax experts, considered such impairment loss as an allowable business expenditure for computation of provision for income tax liability. The said allowance is subject to certain regulatory approvals and completion of assessment by the tax authorities. Pending such approvals and completion of such assessment, no additional provision for tax liability, if any, has been considered in these financial results.

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

Walker Chandio & Co LLP

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Sumesh E S

per Sumesh E S

Partner

Membership No. 206931



Place: Chennai

Date: 11 February 2017