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Review Report

To the Board of Directors of VA Tech Wabag Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **VA Tech Wabag Limited** ("the Company") for the quarter ended **30 September 2012** and the year to date results for the period 01 April 2012 to 30 September 2012, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. 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 Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement 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, 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 (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Without qualifying our opinion, we draw your attention to the following:
Consequent to Section 80-IA, 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 a 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 a writ petition in the High Court, challenging the constitutional validity of the retrospective amendment.



Walker, Chandio & Co

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 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 thereupon from 01 April 2001 to 30 September 2012 amounting to ₹ 1,820 lakhs have been considered as contingent liabilities as at 30 September 2012.

Walker, Chandio & Co
for Walker, Chandio & Co.
Chartered Accountants
Firm Registration No: 001076N

Suresh E S
per Suresh E S
Partner
Membership No. 206931



Place: Turkey
Date: 10 November 2012