



Ref. No. : WI: SEC:2019  
Date : August 06, 2019

National Stock Exchange of India Ltd.  
Corporate Action Department  
Exchange Plaza, 5<sup>th</sup> floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Fax :26598237/38, 66418126/25/24  
**SCRIP CODE : WALCHANNAG**

BSE Ltd.  
Corporate Relations Department  
1st floor, New Trading Ring,  
Rotunda Bldg P.J. Tower,  
Mumbai 400 001  
Fax:: 22723121/2039/2037  
**SCRIP CODE : 507410**

Dear Sir(s),

**Sub : Un-audited (Reviewed) Financial Results for the Quarter ended June 30, 2019 along with Limited Review Report as on the date issued by Statutory Auditors of the Company.**

**Ref : Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

We are pleased to inform you that the Board of Directors at its meeting held today i.e. August 06, 2019, approved the Un-audited (Reviewed) Financial Results for the Quarter ended June 30, 2019. A copy of the same along with Limited Review Report of the Un-audited Financial Results for the Quarter ended June 30, 2019 issued by M/s. Jayesh Sanghrajka & Co. LLP (Statutory Auditors of the Company) along with Press Release on the said Results issued by the Company are enclosed for your information and record.

The Board Meeting commenced at 2.00 pm and concluded at 3.30 p.m.

This is for your information and record.

Thanking you,

Yours faithfully,

For Walchandnagar Industries Ltd.,

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

Encl : As above

**WALCHANDNAGAR INDUSTRIES LTD.**

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

Tel No. : (022) 23612195/96/97 Fax : (022) 23634527, E - mail : investors@walchand.com, Website: www.walchand.com

PART I Particulars	Quarter Ended			(Rs. in Lakhs)
	30.06.2019	31.03.2019	30.06.2018	Year ended 31.03.2019
	1	2	3	4
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Revenue from Operations	6,279	9,832	6,619	36,405
Other Income	456	813	999	2,492
<b>Total Revenue (1+2)</b>	<b>6,735</b>	<b>10,645</b>	<b>7,618</b>	<b>38,897</b>
<b>Expenditure :</b>				
Cost of Materials Consumed	3,853	3,375	2,252	14,724
Sub-contracting Expenses, Processing Charges and Other Direct Costs	499	789	804	3,004
Changes in inventories of finished goods and work-in-progress	(1,380)	1,296	(1,344)	(1,755)
Employees Benefits Expenses	2,020	2,041	2,144	8,441
Finance Costs	2,227	2,226	1,936	8,051
Depreciation and Amortisation Expenses	593	635	705	2,703
Other Expenses	972	917	1,114	3,943
<b>Total Expenses (4+5+6+7+8+9+10)</b>	<b>8,784</b>	<b>11,279</b>	<b>7,611</b>	<b>39,111</b>
Profit/ (Loss) before exceptional items and tax (3-11)	<b>(2,049)</b>	<b>(634)</b>	<b>7</b>	<b>(214)</b>
Exceptional Items (net)	-	-	-	-
Profit/ (Loss) before tax (12-13)	<b>(2,049)</b>	<b>(634)</b>	<b>7</b>	<b>(214)</b>
Tax expense:				
(1) Current tax	-	-	-	-
(2) Tax for earlier years	-	-	-	-
(3) Deferred tax (asset)/ liability	-	-	-	-
Profit/ (Loss) after Tax (14-15)	<b>(2,049)</b>	<b>(634)</b>	<b>7</b>	<b>(214)</b>
Other Comprehensive Income	27	(50)	40	(156)
<b>Total Comprehensive Income for the period</b>	<b>(2,022)</b>	<b>(684)</b>	<b>47</b>	<b>(370)</b>
Earnings per equity share of face value of Rs 2 each				
(1) Basic	(5.38)	(1.66)	0.02	(0.56)
(2) Diluted	(5.38)	(1.66)	0.02	(0.56)

1. The above unaudited Financial Results have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors at its meeting held on August 06, 2019.

2. The company is engaged in segments namely Heavy Engineering, Foundry and Machine shop and Others. This segments has been reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

3. Inventory includes work in progress of Rs. 2194.21 Lakhs in respect of orders which have been cancelled / put on hold. The Company is of the opinion that no provision is required to be made as on June 30, 2019 as this stock will be either liquidated or diverted to other projects.

4. Figures for the previous period have been regrouped/reclassified where necessary, to confirm to the current period classification.

For WALCHANDNAGAR INDUSTRIES LTD.

G. K. Pillai

MANAGING DIRECTOR &amp; CEO

DIN : 01537184

Place: Mumbai

Date: August 06, 2019

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Tel No. : (022) 23612195/96/97 Fax : (022) 23634527, E - mail : investors@walchand.com, Website: www.walchand.com

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

Rs in Lakhs

Particulars	Quarter ended			
	30.06.2019 (Unaudited)	31.03.2019 (Audited)	30.06.2018 (Unaudited)	31.03.2019 (Audited)
<b>1 Segment Revenue</b>				
(a) Heavy Engineering	4,301	7,803	4,601	27,956
(b) Foundry and Machine Shop	1,514	1,600	1,567	6,689
(c) Others	494	452	460	1,837
<b>Total</b>	<b>6,309</b>	<b>9,855</b>	<b>6,628</b>	<b>36,481</b>
Less : Inter segment Revenue	30	23	9	76
<b>Net Sales/Income from Operations</b>	<b>6,279</b>	<b>9,832</b>	<b>6,619</b>	<b>36,405</b>
<b>2 Segment Results</b>				
Profit/(Loss) before Interest and Tax				
(a) Heavy Engineering	267	1,852	1,930	8,616
(b) Foundry and Machine Shop	(124)	79	(66)	3
(c) Others	110	83	79	294
<b>Total</b>	<b>253</b>	<b>2,014</b>	<b>1,943</b>	<b>8,913</b>
Add: Exceptional Item				
Less : Finance Cost	2,227	2,226	1,853	8,051
Less - Other unallocable expenditure net of unallocable Income	75	421	83	1,076
<b>Profit/(Loss) Before Tax</b>	<b>(2,049)</b>	<b>(634)</b>	<b>7</b>	<b>(214)</b>
<b>3 Capital Employed</b>				
Segment Assets				
(a) Heavy Engineering	102,791	103,011	98,236	103,011
(b) Foundry and Machine Shop	5,674	5,773	5,714	5,773
(c) Others	4,505	4,550	4,866	4,550
(d) Unallocated	4,592	4,309	6,220	4,309
<b>(A)</b>	<b>117,562</b>	<b>117,643</b>	<b>115,036</b>	<b>117,643</b>
Less : Liabilities				
(a) Heavy Engineering	81,044	74,753	69,781	74,753
(b) Foundry and Machine Shop	2,821	7,171	7,115	7,171
(c) Others	692	651	159	651
(d) Unallocated	1,493	1,534	4,029	1,534
<b>(B)</b>	<b>86,050</b>	<b>84,109</b>	<b>81,084</b>	<b>84,109</b>
<b>Total (A-B)</b>	<b>31,512</b>	<b>33,534</b>	<b>33,952</b>	<b>33,534</b>

For WALCHANDNAGAR INDUSTRIES LTD.

G. K. Pillai  
MANAGING DIRECTOR & CEO  
DIN : 01537184Place: Mumbai  
Date: August 06, 2019

A TRADITION OF ENGINEERING EXCELLENCE

# Jayesh Sanghrajka & Co LLP

Chartered Accountants

## Limited Review Report

To,  
The Board of Directors  
Walchandnagar Industries Ltd.  
3, Walchand Terraces,  
Tardeo Road, Mumbai- 400 034.

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Walchandnagar Industries Limited. ('the Company') for the quarter ended 30<sup>th</sup> June, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, in their meeting dated 06<sup>th</sup> August 2019, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Sec 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. We believe that the review procedures performed by us, subject to matter in paragraphs 4, is sufficient and appropriate to provide a basis for our reporting on the Statement.

4. *Attention is invited to Note no. 3 of published results regarding non-moving inventory of work in progress amounting to ₹2194.21 Lakhs on account of orders which have been cancelled/ put on hold. The company contends that this stock will either be liquidated or diverted to other projects without any loss arising there from.*

5. Based on our review conducted as above and subject to the possible effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with aforesaid accounting standards and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Head Office :**

405 - 408, Hind Rajasthan Building,  
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+91 22 40774602 info@jsandco.in www.jsandco.in

**Affiliates Offices :**

Ahmedabad, Bangalore, Chennai, Delhi,  
Guwahati, Hyderabad, Indore, Jaipur, Kochi,  
Kolkata, Delhi, Patana, Silchar, Siliguri and  
Thiruvananthapuram.

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# Jayesh Sanghrajka & Co LLP

Chartered Accountants

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

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.104184W/W100075



**CA Ashish Sheth**

Designated Partner

Membership No.: 107162



Place: Mumbai

Date: 06.08.2019

**Head Office :**

405 - 408, Hind Rajasthan Building,  
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Thiruvananthapuram.

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## WALCHANDNAGAR INDUSTRIES LIMITED

PRESS RELEASE

### RESULTS FOR THE QUARTER ENDING 30<sup>th</sup> June 2019

**“Continued focus on strategic sectors”**

**Mumbai, 6<sup>th</sup> August 2019:** Walchandnagar Industries Limited (“*WIL*” / “*Company*”), a renowned engineering company known for its design, engineering & high complex precision manufacturing capabilities with an operational legacy of more than 100 years, announced its results for the first quarter of FY2019-20 ending June 30<sup>th</sup>, 2019.

#### **Financial Overview:**

Particulars	INR Lakh			
	Q1 FY19-20	Q4 FY18-19	Q1 FY18-19	12M FY18-19
<b>Total Revenues</b>	6,735	10,645	7,565	38,897
- Revenue from Operations	6,279	9,832	6,619	36,405
- Other Income	456	813	946	2,492
<b>EBITDA (excluding Other Income)</b>	341	1,363	1,743	7,893
<b>EBITDA Margins*</b>	5.4%	13.9%	26.3%	21.7%

\*EBITDA Margins % calculated on Revenue from Operations

- Revenue Performance:** This quarter's revenue performance is primarily in line with the Company's strategy of maximizing revenue from its core manufacturing business i.e. approx. 71% of the operating revenue in Q1FY20 has come from the core manufacturing business of the Company comprising strategic sectors like Aerospace, Missiles, Defence, Nuclear, Gear and Centrifugals.

Operating Revenue Mix – Business wise	INR Lakh	
	Q1 FY20	Q1 FY19
Defence & Missiles, Nuclear, Aerospace (“DNA”)	3,480	3,449
Industrial Products Manufacturing	964	1,224
<b>Core Business</b>	<b>4,444</b>	<b>4,673</b>
Foundry	1,486	1,552
EPC	328	348
Other Operating Income	21	46
<b>Total Revenue from Operations</b>	<b>6,279</b>	<b>6,619</b>

\***Industrial Products:** Gearboxes, Centrifugals, Cement Spares, Instrumentation



2. Total order book as on 30<sup>th</sup> June 2019 stands at INR 802.5 Crore. Manufacturing business (including strategic sectors & industrial products) accounts for 55% of the same. The Aerospace business contributes to the highest order book by segment at 22 % of the total.

## **Business Review :**

### **Performance highlights:**

1. **Contribution to ISRO's unmanned lunar mission (Chandrayaan 2):**

- WIL played an important role in ISRO's Chandrayaan – 2 mission with the supply of solid propulsion booster motor casings for this prestigious Indian lunar mission. The Aerospace business regularly supplies critical components for various launch vehicles to serve the needs of the Indian Space Programme.

2. **Road Mobile Launchers for Indian Strategic Missile Programme:**

- In the Defence business, WIL manufactured & carried out successful trials of Road Mobile Launchers for the long-range ballistic missiles as part of the Indian Strategic Missile Programme.

3. **Marine Gearboxes as part of "Make in India" program**

- WIL continues to be on schedule for supplying specialized marine gearboxes for Offshore Patrol Vessel being built at Goa Shipyard.

### **Outlook:**

1. The company continues to be excited towards the growth in the Aerospace, Nuclear & Defence sector and also looks forward to grab tremendous potential in spares as well as equipment manufacturing for Gear, Cement & Railways businesses.
2. The company is well-positioned to get a boost in revenue for the following businesses in the next quarters of FY 2019-20:
  - a. **Aerospace:**

The company has a strong order book for Aerospace Business. The production rate of various flight hardware would get ramped up following selective resource enhancement.
  - b. **Defence:**

Defence business has built WIP for large projects of Indian weapon systems which will be gradually delivered in FY 2019-20.
  - c. **Nuclear:**

The Nuclear business has fully developed technical expertise for a big order of Hairpin Heat Exchangers. Delivery of the entire project will be completed in FY2019-20.

- d. **Gear :**  
The company will deliver balance Offshore Patrol Vessel Gearboxes along with other large industrial Gearboxes in FY 2019-20.
- e. **Railways:**  
The company will finish pilot orders in Railways business exploring the horizon for further bulk orders.
- f. **Centrifugal:**  
As usual, Centrifugal business will deliver a higher number of centrifugal machines in Q2 & Q3 for cane crushing season in India.

3. The company firmly expects order booking in the following businesses:

- a. **Aerospace:**  
The Company looks forward to follow-up orders in the Aerospace business given upcoming launch program of ISRO.
- b. **Missile:**  
The Company expects fresh orders in this segment given India's continued thrust in Defence, specifically with respect to various missile programs.
- c. **Centrifugal:**  
WIL is increasingly focusing on the export market to tap significant potential and de-risk its business from the vagaries of the domestic market.
- d. **Nuclear:**  
The nuclear business expects fructification of big orders in pipeline for core equipment in Nuclear Power sector.

**For more information write to: [investors@walchand.com](mailto:investors@walchand.com)**

**Disclaimer:**

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fiscal policy, competition, inflationary pressures and general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.