



WALCHANDNAGAR INDUSTRIES LIMITED

Website: www.walchand.com Email: wil@walchand.com

Ref. No. : WI:SEC:2018

Date : February 06, 2019

National Stock Exchange of India Ltd.
Corporate Action Department
Exchange Plaza, 5th 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 and Nine months ended December 31, 2018 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. February 06, 2019, approved the Un-audited (Reviewed) Financial Results for the Quarter and Nine Months ended December 31, 2018. A copy of the same along with Limited Review Report of the Un-audited Financial Results for the Quarter and Nine Months ended December 31, 2018 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 2.30 pm and concluded at 6.30 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							(Rs. in Lakhs)
Statement of Unaudited Results for the Quarter and Nine months ended on 31st December 2018							
	Particulars	Quarter Ended			Nine months ended		Year Ended
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.3.2018
		1	2	3	4	5	6
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from Operations	9,508	10,446	11,631	26,573	28,023	39,841
2	Other Income	357	1,065	76	1,675	732	889
3	Total Revenue (1+2)	9,865	11,511	11,707	28,248	28,755	40,730
	Expenditure :						
4	Cost of Materials Consumed	4,296	4,801	4,668	11,349	11,325	15,134
5	Sub-contracting Expenses, Processing Charges and Other Direct Costs	707	704	375	2,215	1,841	2,568
6	Changes in inventories of finished goods and work-in-progress	(1,675)	(32)	1,064	(3,051)	1,517	2,776
7	Employees Benefits Expenses	2,092	2,144	1,995	6,349	5,650	7,773
8	Finance Costs	1,970	1,919	1,925	5,825	5,714	7,611
9	Depreciation and Amortisation Expenses	689	674	821	2,068	2,536	3,346
10	Other Expenses	1,590	1,084	1,515	3,073	2,963	4,104
11	Total Expenses (4+5+6+7+8+9+10)	9,669	11,294	12,363	27,828	31,546	43,312
12	Profit/ (Loss) before exceptional items and tax (3-11)	196	217	(656)	420	(2,791)	(2,582)
13	Exceptional Items (net)	-	-	-	-	-	-
14	Profit/ (Loss) before tax (12-13)	196	217	(656)	420	(2,791)	(2,582)
15	Tax expense:						
	(1) Current tax	-	-	-	-	-	-
	(2) Tax for earlier years	-	-	-	-	-	-
	(3) Deferred tax (asset)/ liability	-	-	-	-	-	-
16	Profit/ (Loss) after Tax (14-15)	196	217	(656)	420	(2,791)	(2,582)
17	Other Comprehensive Income	(57)	(89)	167	(106)	155	42
18	Total Comprehensive Income for the period	139	128	(489)	314	(2,636)	(2,540)

Signature

19	Earnings per equity share of face value of Rs. 2 each						
	(1) Basic	0.51	0.57	(1.72)	1.10	(7.33)	(6.78)
	(2) Diluted	0.51	0.57	(1.72)	1.10	(7.33)	(6.78)

Notes:

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 February 06, 2019
2.	The Ministry of Corporate Affairs(MCA), on March 28, 2018 notified Ind AS-115 "Revenue from Contracts with customers" as part of the Companies(Indian Accounting Standard) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after April 1, 2018. The adoption of the standard did not have any material impact to the financial results of the Company.
3.	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.
4.	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 December 31, 2018 as this stock will be either liquidated or diverted to other projects.
5.	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 & CEO
DIN : 01537184

Place: Mumbai

Date: February 06, 2019

A TRADITION OF ENGINEERING EXCELLENCE

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SEGMENT-WISE REVENUE, RESULTS & CAPITAL EMPLOYED

Rs in Lakhs							
Particulars		Quarter ended			9 months ended		Year ended
		31.12.2018	30.9.2018	31.12.2017	31.12.2018	31.12.2017	31.3.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
	(a) Heavy Engineering	7,333	8,220	10,139	20,153	23,830	33,856
	(b) Foundry and Machine Shop	1,775	1,746	1,064	5,088	3,054	4,388
	(c) Others	440	484	442	1,385	1,162	1,658
	Total	9,548	10,450	11,645	26,626	28,048	39,902
	Less : Inter segment Revenue	40	4	14	53	25	61
	Net Sales/Income from Operations	9,508	10,446	11,631	26,573	28,023	39,841
2	Segment Results						
	Profit/(Loss) before Interest and Tax						
	(a) Heavy Engineering	2,531	2,302	1,356	6,764	3,586	5,758
	(b) Foundry and Machine Shop	40	(50)	(112)	(76)	(467)	(638)
	(c) Others	63	70	-82	212	(25)	155
	Total	2,634	2,322	1,162	6,900	3,094	5,275
	Add: Exceptional Item						
	Less : Finance Cost	1,970	1,919	1,925	5,825	5,714	7,611
	Less - Other unallocable expenditure net of unallocable Income	468	186	(107)	655	171	246
	Profit/(Loss) Before Tax	196	217	(656)	420	(2,791)	(2,582)
3	Capital Employed						
	Segment Assets						
	(a) Heavy Engineering	101,248	98,887	104,686	101,248	104,686	99,834
	(b) Foundry and Machine Shop	5,848	5,689	5,556	5,848	5,556	5,573
	(c) Others	4,974	4,988	4,740	4,974	4,740	4,782
	(d) Unallocated	4,702	4,687	4,167	4,702	4,167	5,275
	(A)	116,772	114,251	119,149	116,772	119,149	115,464
	Less : Liabilities						
	(a) Heavy Engineering	73,708	71,536	76,966	73,708	76,966	78,573
	(b) Foundry and Machine Shop	7,202	7,019	2,696	7,202	2,696	2,722
	(c) Others	139	210	357	139	357	222
	(d) Unallocated	1,505	1,407	335	1,505	335	43
	(B)	82,554	80,172	80,354	82,554	80,354	81,560
	Total (A-B)	34,218	34,079	38,795	34,218	38,795	33,904

For **WALCHANDNAGAR INDUSTRIES LTD.**

G. K. Pillai

MANAGING DIRECTOR & CEO

DIN : 01537184

Place: Mumbai

Date: February 06, 2019

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Jayesh Sanghrajka & Co LLP

Chartered Accountants

Limited Review Report

Review Report to
The Board of Directors
Walchandnagar Industries Ltd.

1. We have reviewed the accompanying statement of unaudited financial results of **Walchandnagar Industries Limited** (the "Company") for the quarter and year to date ended on December 31, 2018 (the "Statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder 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, read with SEBI 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.



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Kolkata, Delhi, Patana, Silchar, Siliguri and
Thiruvananthapuram.

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Jayesh Sanghrajka & Co LLP

Chartered Accountants

5. Emphasis of Matter

We draw attention to Note 4 of Statement regarding non-moving inventory amounting to Rs 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.

Our conclusion is not modified in respect of this matter.

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration No.104184W/W100075


Ashish Sheth
Designated Partner
Membership No.: 107162



Place: Mumbai

Date: February 06, 2019

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WALCHANDNAGAR INDUSTRIES LIMITED

PRESS RELEASE

RESULTS FOR THE QUARTER ENDING 31st DECEMBER 2018

“Core Manufacturing Business drives significant margins improvement”

Mumbai, 6th February 2019: Walchandnagar Industries Limited (“*WIL*” / “*Company*”), a renowned engineering company known for its design, engineering & high complex precision manufacturing capabilities with operational legacy of more than 100 years, announced its results for the quarter ended/ nine months period ended December 31st, 2018.

Financial Highlights:

₹ Lakhs

Particulars	Q3 FY19	Q2FY19	Q3FY18	9M FY19	9M FY18
Total Revenues	9,865	11,511	11,707	28,249	28,755
- Revenue from Operations	9,508	10,446	11,631	26,574	28,023
- Other Income	357	1,065	76	1,675	732
EBITDA (excluding Other Income)	2,441	1,745	2,182	6,532	4,882
EBITDA Margins*	25.7%	16.7%	18.8%	24.6%	17.4%

* EBITDA Margins % calculated on Revenue from Operations

- 1) **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.. 78% of the operating revenue in Q3FY19 has come from the core manufacturing business of the Company comprising strategic sectors like aerospace, missiles, defence, nuclear, gear and centrifugals as compared to 72% in Q2FY19.

₹ Lakhs

Operating Revenue Mix – Business wise	Q3FY19	Q2 FY19
Defence & Missiles, Nuclear, Aerospace (“ <i>DNA</i> ”)	5,013	4,057
Industrial Products Manufacturing	2,383	3,459
Core Business	7,396	7,516
Foundry	1,680	1,735
EPC	378	1,123
Other Operating Income	54	72
Total Revenue from Operations	9,508	10,446

***Industrial Products:** Industrial gearboxes, Centrifugals, Cement Spares, Instrumentation

While the overall operating revenues in Q3FY19 compared to Q2FY19 was lower by 9%, the critical businesses of DNA increased significantly by 23.6% in Q3FY19 compared to Q2FY19 thereby resulting in improvement in EBITDA margins.

- 2) The total order book (excl. Foundry & Instrumentation) as on 31 January, 2019 stood at INR 85,631 Lakhs (compared to approx. INR 78100 lakhs as on November 01, 2018) with approx. 60% by value comprising of orders from our Core Business which was primarily enhanced on account of receipt of order of approx. INR 9,600 Lakhs (plus escalation) from Vikram Sarabhai Space Centre (VSSC) of ISRO towards manufacture of S-139 End Segments for the PSLV program, which reemphasises our focus on Core Business operations.
- 3) WIL continues to be a preferred supplier in the DNA businesses and is currently in the process of executing orders related to flight hardware for ISRO in aerospace business, AKASH missile motor-casings fabrication and integration for Bharat Dynamics Limited in the missiles business, Hairpin Heat Exchangers for NPCIL in the nuclear equipment business and gearboxes for the Offshore Patrol Vessels (OPV) for Goa Shipyard in the marine gearbox business.
- 4) The Company continues to be very excited about the ongoing momentum and its growth potential in the aerospace industry in India.

Key Business Highlights till date:

- Received order from VSSC for S-139 End Segments – approx INR 9600 Lakh plus escalation – highest ever single order received by WIL from VSSC.
- Follow up order from NPCIL for additional Hairpin Heat Exchangers – INR 608 Lakh.
- Company expects to deliver the first two ship-sets of “Offshore Patrol Vessel” gearboxes to Goa Shipyard in Q4FY19
- Sales of 115 centrifugal machines in the first nine months of the fiscal year (compared to a total of 84 machines sold in the entire fiscal year 2017-18) – a record in WIL's history.
- On track to complete the Capex program (machines + facilities) at Walchandnagar plant to qualify for tenders to be released in fleet mode for upcoming indigenous nuclear power plants to be built in India.
- Achieved INR 5,070 lakhs of turnover (highest in WIL's history) from the Foundry Division for 9MFY19 on account of improved efficiencies and robust business demand
- EPC : In relation to the primary two existing EPC contracts, there has been positive movement, albeit, at a slower pace
 - TNEB Project : WIL is following a policy of ploughing back the retention money received progressively into the completion of the balance sites.
 - Priority-1 works which consisted of 4 sites out of the 12 sites have successfully begun crushing operations
 - For the Priority-2 works which include 3 sites out the 12 sites, the Company expects the same to be commissioned by Q1FY20

- TENDAHO Project: The Company expects the “deemed completion” status for the Tendaho – phase 1 project by end of this Fiscal year, which is a precursor for getting the “operational acceptance certificate” and related release of retention money.

For more information write to:
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.