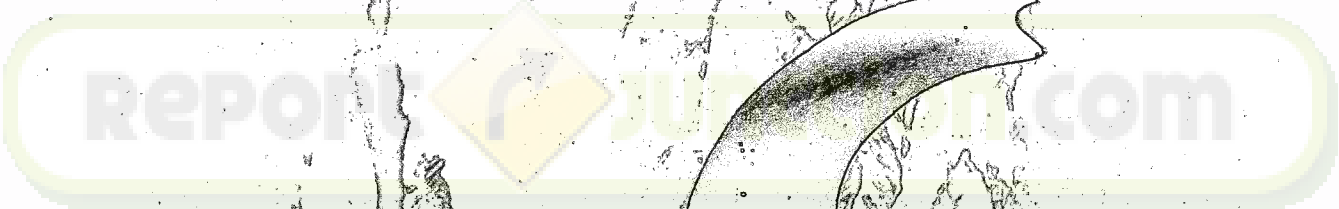




A Tradition of Engineering Excellence



99th ANNUAL REPORT
2006-2007



Seth WALCHAND HIRACHAND

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

Sardar Vallabbhai Patel

A great pioneer of industrialisation in our country - the late Shri Walchand Hirachand. As someone who has for a long time recognised, valued, and cherished patriotism, creativity and enterprise of our business leaders. Walchand Hirachand was a dreamer, a visionary, a great builder, a great leader of industry. Above all, he was a patriot, and in his own way, he was an inspiring leader of our struggle for freedom. I salute his memory.

Dr. Manmohan Singh

23rd November 2007 marked the 125th birth anniversary of our Founder Seth Walchand Hirachand, a patriot and a visionary Industrialist.

On 25th November 2007, Walchandnagar Industries Limited entered its centenary year. On this occasion, we rededicate ourselves to the Spirit of Entrepreneurship and Innovation of our founder Seth Walchand Hirachand.

Chakor L. Doshi

Chairman



CONTENTS

- 5 Letter from the Chairman
- 7 Directors' Report
- 18 Management Discussion and Analysis
- 27 Auditors' Report
- 30 Financials

REGISTERED OFFICE

Walchandnagar Industries Ltd.
3, Walchand Terraces
Tardeo Road, Mumbai- 400034
Tel. No. 23539498/ 23692295

Registrar & Share Transfer Agents

Intime Spectrum Registry Ltd.
C-13 Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (W)
Mumbai- 400078
Tel.: (022) 25963838
Fax: (022) 25946969
e-mail: isrl@intimespectrum.com

Pune Offices

Walchand House
15/ 1/ B - 2, G. A. Kulkarni Path
Kothrud, Pune- 411038

221, Siddharth Towers, 9th floor
S. No. 12/ 3 - B
G. A. Kulkarni Path
Kothrud, Pune- 411029

Factories

Walchandnagar, Dist. Pune, Maharashtra
Satara Road, Dist. Satara, Maharashtra
Attikola, Dharwad, Karnataka

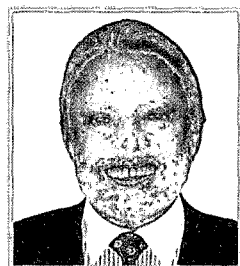
Auditors

K. S. Aiyar & Co.
Chartered Accountants

Principal Bankers

State Bank of India
Bank of India
ING Vysya Bank

Board of Directors



Chakor L. Doshi
Chairman



P. K. Basu
Director



R. M. Pande
Director



Dilip J. Thakkar
Director



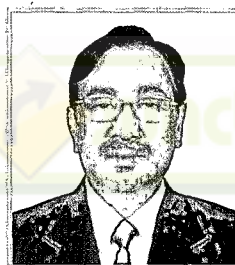
A. U. Rijhsinghani
Director



J. L. Deshmukh
Managing Director &
Chief Executive Officer



Arati H. Vissanji
Director



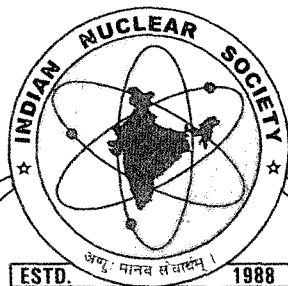
S. B. Das
Director



Chirag C. Doshi
Managing Director

MANAGEMENT TEAM

Mr. S. S. Gangavati	President (Strategic Planning & Market Research)
Mr. V. M. Parthasarathy	President (Special Products)
Mr. V. G. Ratnaparkhi	President (Business Processes & Quality Assurance)
Mr. G. S. Prakash	President (Sugar & Boiler)
Mr. J. N. Nandurkar	President (HR & Establishment)
Mr. V. D. Vaingankar	President (Manufacturing & Tech. Services)
Mr. Apurba Chakravarty	President (Walchand Projects Group)
Mr. L. Ranganathan	President (New Business Ventures)
Mr. V. R. Joshi	Chief Financial Officer
Mr. Arvind Shore	President (Corporate Management)
Mr. R. Kumar	President (Utility Boilers)
Mr. M. H. Purwat	Sr. Vice President (Finance)
Mr. P. K. Mahadevan	Sr. Vice President (Materials)
Mr. T. D. Lal	Vice President (Corp. Fin. & MIS)
Dr. C. Janakiram	Head (Oil & Gas)
Mr. S. K. Singhvi	Company Secretary



INS Industrial Excellence Award

2006

Walchandnagar Industries Ltd. Walchandnagar

Walchandnagar Industries Limited (WIL), a long term partner of Department of Atomic Energy (DAE) has fruitful association with Nuclear Power Programmes of India for nearly four decades, right from the very first indigenous Atomic Power Plant at Rajasthan.

Over the years, WIL has developed and supplied several major and core equipments likes Dump Tanks, Air/Water Cooled Thermal Shields, Calandrias for both 235 & 540 MWe Plants, Endshields, Moderator Heat Exchangers, Fuelling Machines, Reactivity Mechanisms etc. for various programmes of DAE for Test & Power Reactors and other important Projects.

In recognition of commendable contribution of WIL, in the development of major critical equipment for the Indian Nuclear Programmes, the Indian Nuclear Society has great pleasure in presenting the INS Industrial Excellence Award-2006 to Walchandnagar Industries Limited, Walchandnagar.

GAMtel
21. Nov. 2007
Secretary, INS

Placid Roden
President, INS



Letter from the Chairman

Dear Members,

It's my pleasure to welcome you all to this 99th Annual General Meeting of the Company.

During the year your company achieved a record performance of revenues of Rs. 637.41 crores and Profit before Tax of Rs. 54.90 crores.

Key performance highlights are as below:

- 77% growth in revenue
- 86.7% growth in exports.
- 157.7% growth in the Profit before Tax
- Basic EPS of Rs. 118.37, a growth of 167.5%

Your company has grown on a sustained basis during the past three years.

During this period:

- Revenue grew by over 3 times.
- Profit before tax grew by close to 10 times.
- Basic Earnings per share grew by close to 9 times.



Your company is poised to consolidate these achievements and build the future growth momentum. Towards this objective your company has initiated several steps to enhance the capabilities with respect to engineering, manufacturing, technology and critical resources in all areas of operations. New initiatives are also on the anvil. As your company grows, there are challenges with respect to higher level of performance, organization building, capable processes and customer satisfaction and your company is committed to make its best efforts in meeting these challenges.

23rd November 2007 marked the 125th birth anniversary of our Founder Seth Walchand Hirachand, a Patriot and a Visionary Industrialist. On 25th November 2007, your company entered its centenary year. On this occasion, we rededicate ourselves to the Spirit of Entrepreneurship and Innovation of our founder Seth Walchand Hirachand.

With your continued support and devotion of all our employees, I am confident of outstanding performance during the coming years.

Thank You,

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

Chakor L. Doshi
Chairman



nation building

We have invested in developing expertise and capabilities needed for supplying critical equipment to core sectors such as nuclear power, aerospace, defense, marine, power generation, and for industrial plants for sugar, cement, and mineral processing. We shall continue to focus on these sectors which are vital for growth and prosperity of our nation.

Directors' Report

To:
The Members of
Walchandnagar Industries Limited.

Your Directors have pleasure in presenting the Ninety Ninth Annual Report with Audited Statement of Accounts for the year ended 30th September 2007.

1. Performance for the year in retrospect

	30.9.2007 Rs. in lacs	30.9.2006 Rs. in lacs
Income:	63740.45	36015.92
Profit before Depreciation and Interest	6338.93	2733.75
Less: Interest	301.95	225.82
Depreciation	547.43	378.15
Profit before Taxation	5489.55	2129.78
Less: Provision for Taxation	1933.22	800.35
Profit after Tax	3556.33	1329.43
- Surplus brought forward from the previous year	2247.88	1205.55
	5804.21	2534.98
Appropriations:		
- General Reserve	355.63	132.94
- Proposed Dividend	300.45	135.20
Income Tax on		
Proposed Dividend	51.06	18.96
Surplus carried to Balance Sheet	5097.07	2247.88

During the year under review the income of the Company increased by 77.0% from Rs. 360.16 Crores to Rs. 637.41 Crores. The profit before tax reached Rs. 54.90 Crores as against Rs. 21.30 Crores in the previous year; a growth of 157.70%.

2. Current Year

The orders on hand as on 1.10.2007 were at Rs. 968.70 Crores as compared to Rs. 1000 Crores as on 1.10.2006. Considering market conditions for various businesses, we are expecting to improve the order book position and performance as compared to previous year.

3. Exports

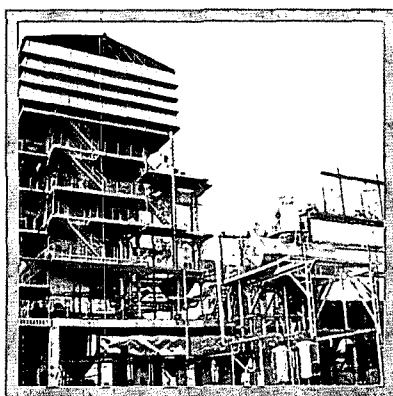
The export turnover has increased from Rs. 61.02 Crores in the previous year to Rs. 113.92 Crores. The export orders on hand as on 1.10.2007 are at Rs. 76.61 Crores. During the year the Company has executed orders for Material Handling and Back Fill Plant at Konkola Copper Mines, Zambia; Cement Plant at Kuwait Cement Company, Kuwait; High Pressure Boiler for Ingenio Providencia Colombia, at Colombia.

4. Dividend

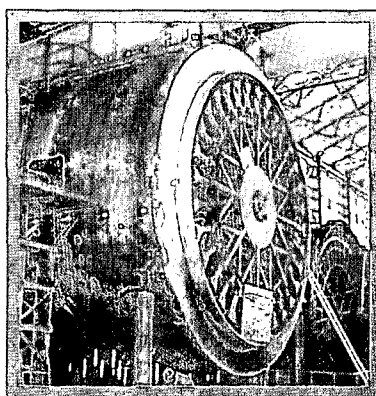
Directors are pleased to recommend Dividend for the Financial Year 2006-2007 on Equity Shares at Rs. 10/- per share of Rs. 10/- each, equivalent to 100% (45% in the previous year) aggregating to Rs. 300.45 lacs.

5. Management Discussion & Analysis

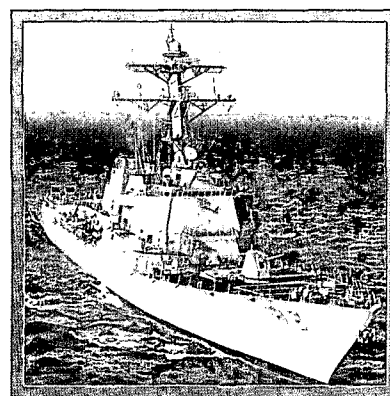
Detailed Management Discussion and Analysis is enclosed by way of Annexure 'A' to this report.



Biomass based Power Plant



Calandria for 500 MW Nuclear Power Project



Gearboxes for Marine Applications



meeting challenges

Challenges spur us on. Our customers entrust us to design and manufacture critical equipment because of our engineering excellence. For example - We were the first to supply a complete sugar plant in India. We are amongst the pioneers in Public-Private Partnership for aerospace and nuclear power programs since 1967. We supply critical hardware for ISRO's satellite projects; And we manufacture core equipment for nuclear power plants. We recently won the award for Industrial Excellence from Nuclear Society of India.