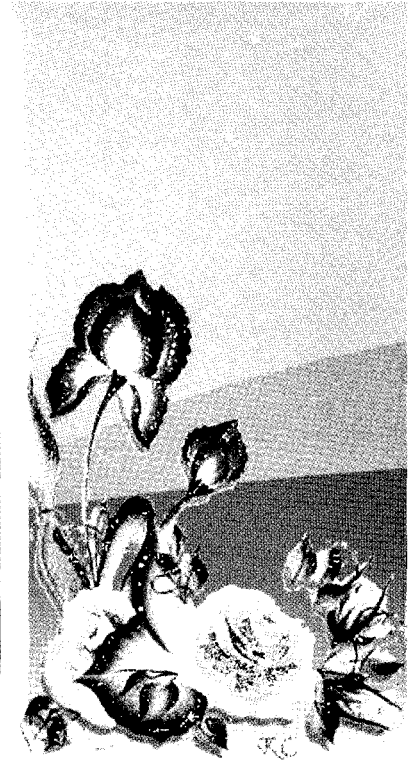
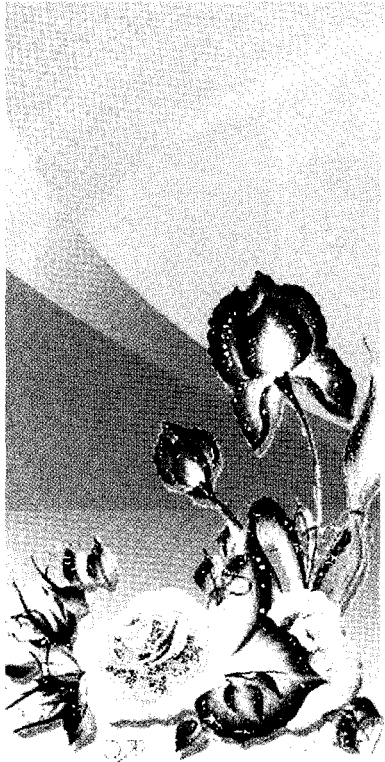


**67<sup>th</sup>**  
Annual Report 2011-12

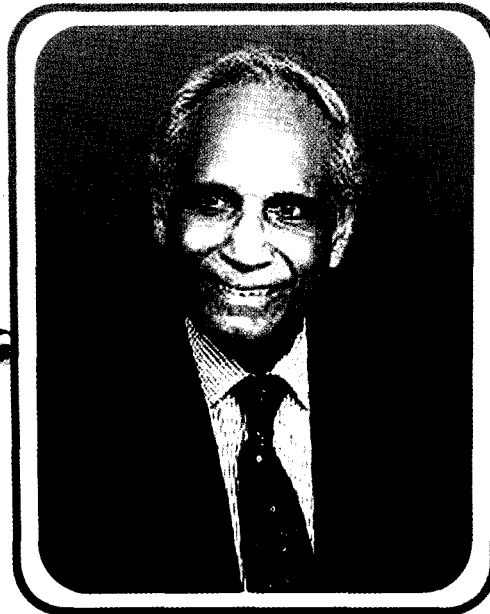


The Western India Plywoods Limited



**A. K. KADERKUTTY**  
Founder & Visionary

*In the days of stiff competitions lying ahead, the only way to face the challenges is through quality initiatives which should be the guiding motto of the company to become a successful player in the wood working industry in the coming years and maintain its premier position.*



**P C D NAMBIAR**  
1923 - 2012

*Shri P. C. D Nambiar rendered yeoman service to The Western India Plywoods Ltd. His association started in 1983 when he joined the Board as a Director and later took over as Chairman. He was the Chairman of SBI Group and his vast knowledge of Finance, Banking and Management gave very valuable orientation to the Company and he was ever available to give help and guidance. His loss is irreparable and he will be missed by one and all in the Company.*



## **BOARD OF DIRECTORS**

**CHAIRMAN (UP TO 27. 05 2012)**  
Shri P.C.D Nambiar

**CHAIRMAN (FROM 29. 05 2012)**  
Shri V Ramachandran

**DIRECTORS:**  
Shri N.L Vaidyanathan  
Shri Bhaskar Menon  
Shri M.R Karmachandran  
Shri Ranjith Kuruvila  
Shri Y.H Malegam

**MANAGING DIRECTOR:**  
Shri P.K Mohamed

**EXECUTIVE DIRECTOR:**  
Shri P.K Mayan Mohamed

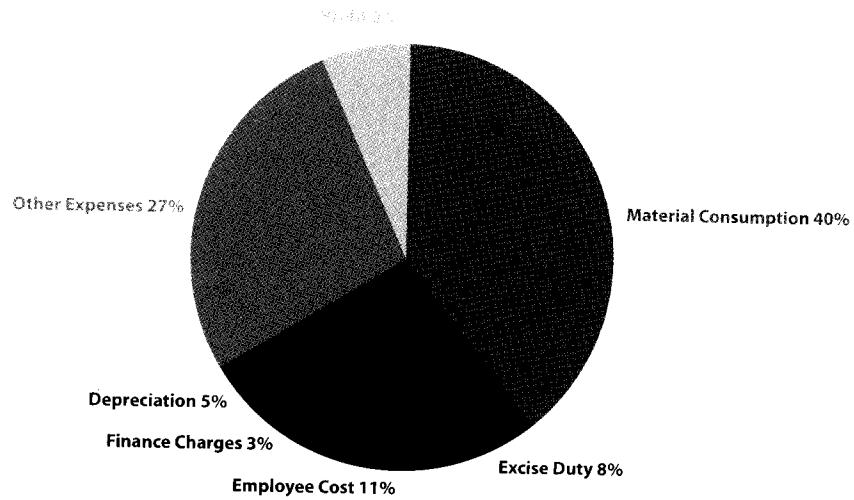
**COMPANY SECRETARY &  
GENERAL MANAGER (FINANCE)**  
Shri R Balakrishnan

**AUDITORS:**  
M/s. Varma & Varma  
Chartered Accountants  
Kochi

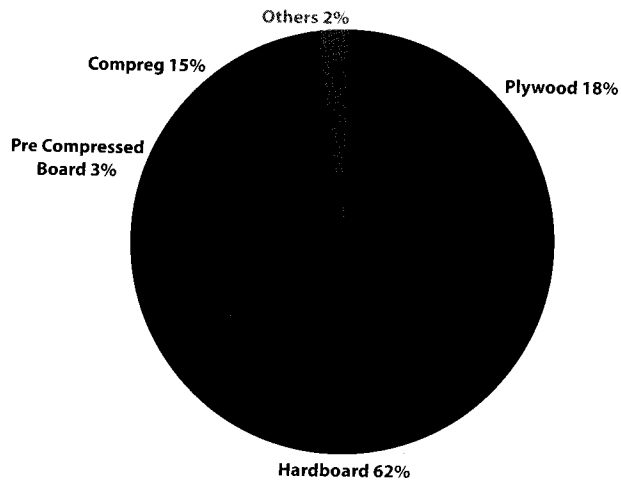
**BANKERS:**  
State Bank of India  
Dena Bank  
Canara Bank  
Bank of India  
Indian Overseas Bank

**REGISTRARS:**  
M/s. Cameo Corporate Services Ltd.  
Subramanian Buildings  
No. 1, Club House Road  
Chennai - 600 002  
Tel: 044 - 28460390

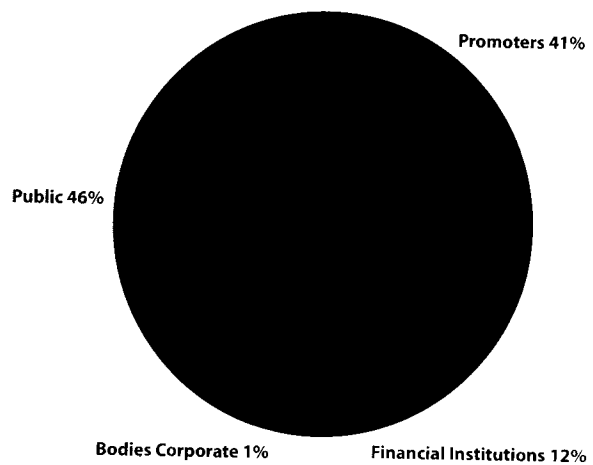
## Revenue Distribution



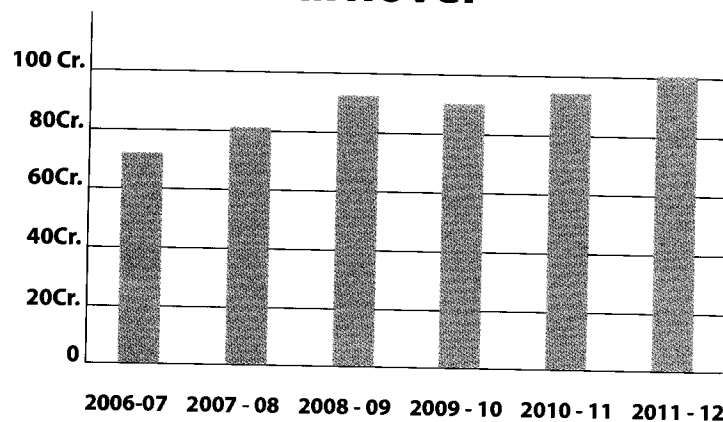
## Product Mix



## Shareholding Pattern



## Turnover



# The Western India Plywoods Limited

Regd. Office: Mill Road, Baliapatam, Kannur - 670 010, Kerala.

Tel: 0497-2778151 (4 lines) Fax: 0497-2778181.

E-mail: westernply@gmail.com mail@wipltd.in Website: www.wipltd.in

---

## CONTENTS

	<b>PageNo.</b>
Ten Year Review .....	2
Directors Report .....	3
Report on Corporate Governance .....	8
Auditor's Report .....	20
Balance Sheet .....	24
Statement of Profit and Loss .....	25
Cash Flow Statement .....	26
Significant Accounting Policies and Notes .....	28
Auditors Report on Consolidated Financial Statements .....	54
Consolidated Balance Sheet .....	55
Consolidated Statement of Profit and Loss .....	56
Consolidated Cash Flow Statement .....	57
Significant Accounting Policies and Notes .....	59
Notice of the 67 <sup>th</sup> Annual General Meeting	

(Rs in '000s)

13th FINANCIAL YEAR

Year ended March 31	2002-03	2003-04	2004-05 (18months)	2005-06 (6 Months)	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1. Sales	491595	499305	858160	328091	719255	816052	926767	901984	947212	1008130
2. Other Income	4966	91193	151986	34634	1282	7702	4222	7756	4890	4006
3. Cost of Materials	130106	144488	233091	96768	208780	249401	314205	310558	386494	395156
4. Power and Fuel	112466	128447	153703	54302	109582	123158	133004	115101	130056	136569
5. Salaries Wages & Bonus	85381	78030	143519	47949	85242	98005	116132	106131	113946	110474
6. Excise Duty	43289	41008	94877	37338	82069	61850	49297	58142	78583	83302
7. Other Expenses	124175	186083	291412	48203	141918	196173	188774	200581	155526	169828
8. Depreciation	46827	41764	65721	22500	46607	46599	46730	46540	46850	48212
9. Tax expenses	0	0	1246	2956	5630	22732	28032	35255	9937	8942
10. Profit/(Loss) after Tax	(46095)	(40754)	21853	52709	42768	25836	54815	37432	30710	59653
11. Dividend										
a) Preference	-	-	-	-	-	-	37011	3041	2394	1612
b) Equity	-	-	-	-	-	-	-	9897	9864	11837
c) Percentage	-	-	-	-	-	-	-	10	10	12
12. Net Block	556721	530037	518152	494547	454210	415081	373589	339423	304926	265741
13. Investments	2739	2588	3611	5631	5632	5632	10219	10219	11619	22830
14. Net Current Assets	323951	315842	193179	269091	347496	429318	431195	494921	522431	405900
15. Profit and Loss Account	33384	74138	52285	0	0	0	0	0	0	0
16. Miscellaneous Expenditure	298	149	0	0	0	0	0	0	0	0
TOTAL ASSETS	917093	922754	767227	769269	807338	850031	815003	844563	838976	694471
17. Share Capital	130873	130873	130873	223200	223200	223200	223200	115873	115873	105874
18. Reserves and Surplus	41296	41296	41296	41720	84488	121790	139594	187415	205866	252070
19. Long Term Borrowings	482505	503717	341188	241060	241729	234704	209774	265560	211725	122616
20. Short Term Borrowings	260582	246868	253870	263289	257921	253338	200292	211942	249598	165401
21. Deferred Tax Liability	1837	0	0	0	0	16999	42143	63773	55914	48510
TOTAL LIABILITIES	917093	922754	767227	769269	807338	850031	815003	844563	838976	694471
22. Tax,Duties paid to Government	91815	93804	145601	54583	111166	101728	93040	121923	122578	134352

## DIRECTORS' REPORT

Dear Members,

The Board of Directors are pained to inform the shareholders of the sad demise of our beloved Chairman, Shri P C D Nambiar, on 27/05/2012. Shri P C D Nambiar joined the Company as Director in 1983 and his vast experience in the fields of Banking, Finance & Management contributed substantially to the management and development of the Company.

### FINANCIAL RESULTS :

Your Directors have pleasure in presenting the 67<sup>th</sup> Annual Report on the business and operations of your Company along with the audited accounts for the year ended 31<sup>st</sup> March, 2012.

(Rs. in lakhs)

	2011-12	2010-11
Gross Sales	10081.30	9472.12
Other Operating Revenue	16.07	14.59
Less : Excise Duty	833.02	785.83
Revenue from Operations (Net)	9264.35	8700.88
Other Income	23.97	34.30
Profit Before Tax	685.94	406.47
Less : Provision for Tax	89.42	99.37
Profit for the Year	596.52	307.10

The Company has achieved during the year a Turnover of Rs.100.81 Crores as against Rs.94.72 Crores in the Previous Year. The Company has already chalked out action plans to further improve performance in terms of Turnover and profit. As indicated last year, the Malaysian Joint Venture Company commenced its operations in February, 2012. Our Company has started receiving Veneers from them. This will improve the Turnover of Plywood during the year 2012-13. The price of raw materials, Fuels etc are going up very high and the Company is unable to increase the price of its finished products correspondingly. However, various value added products are being introduced to fetch a better price.

The Company has maintained satisfactory relationship with Bankers and Term Lending Institutions. The Company has been regular in discharging all its interest and repayment obligations to these Banks and Institutions.

### DIVIDEND

The Board of Directors recommends the dividend due, on Preference Shares upto 31/03/2012, which works out to Rs.13.87 Lakhs. The Board also recommends payment of dividend of 12% on equity shares, which works out to Rs.101.85 Lakhs. The Dividend Tax payable comes to Rs.18.77 Lakhs.



## **TRANSFER TO RESERVES**

An amount of Rs.15 Lakhs has been transferred to General Reserves.

## **DIRECTORS**

Shri V Ramachandran and Shri Bhaskar Menon retire by rotation and are eligible for re-appointment.

## **SUBSIDIARY COMPANIES**

The Audited consolidated financial statements incorporating the accounts for the subsidiary Companies viz Southern Veneers & Wood Works Ltd, Kohinoor Saw Mills Co Ltd and Era And WIP Timber J V Sdn Bhd, Malaysia for the period ended 31/03/2012 are attached.

In April, 2012, the Company has acquired 89% shares of M/s Mayabandar Doors (P) Ltd, Mysore at a cost of Rs.580 Lakhs. M/s Mayabandar Doors (P) Ltd, is an established Company manufacturing Doors and this will help to boost the sales of some of our products.

The company shall furnish hard copy of the annual account of the subsidiary companies to any shareholder on demand. The annual accounts of the subsidiary companies is also open for inspection by any shareholder at the registered office of the company.

## **PERSONNEL**

During the year under report, there were no employees drawing remuneration in excess of the limit specified under Section 217(2) (A) of the Companies Act and general Circular No.23/2011 dated 02/05/2011 of the Ministry of Corporate Affairs.

## **CORPORATE GOVERNANCE**

Pursuant to clause 49 of the listing agreement with Stock Exchange, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance have been incorporated in the Annual Report. Your Company is committed to good Corporate Governance practices and to follow the guidelines provided by SEBI and Stock Exchange from time to time.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the Provisions of the Companies Act, 1956 and based on the information provided by the management, your Directors state that :

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures.
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31.03.2012 and of the profit of the Company for the year ended on that date.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. There are adequate systems



and controls for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities.

- d) The Annual Accounts of the Company have been prepared on a going concern basis.

## **AUDITORS**

M/s Varma & Varma, Chartered Accountants, Cochin, the Statutory Auditors, retire at the ensuing Annual General Meeting and are eligible for re-appointment. Your Directors recommend re-appointment of the statutory Auditors till the conclusion of the next Annual General Meeting.

## **INSURANCE**

The assets of the Company are adequately insured against fire and such other risks as are considered necessary by the management.

## **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY UPGRADATION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The report required to be made pursuant to Clause (e) of Section (1) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors Report is given in Annexure to this report.

## **INTERNAL CONTROL SYSTEM**

The Company has adequate internal control procedures commensurate with its size and nature of the business. The Audit Committee of Directors, constituted under Section 292A and as per Clause 49 of the Listing Agreement, reviews the report of the Internal Auditors and quarterly results published as per the Listing Agreement. The Board believes that appropriate procedure and monitoring mechanisms are in place.

## **REDEMPTION OF PREFERENCE SHARES**

The Company had issued redeemable preference shares to IFCI Ltd for Rs.2 Crores, out of which Rs.1 Crore was redeemed on 07.12.2009 and balance Rs.1 Crore on 28.05.2011 along with the accumulated dividend till the date of redemption. The Company had transferred Rs.1 Crore each to Capital Redemption Reserve Account out of the profit of the years 2009-10 & 2010-11 respectively.

## **ACKNOWLEDGEMENT**

We would like to acknowledge with gratitude the support and co-operation extended by shareholders, vendors, media, banks and financial institutions and look forward to their continued support. We appreciate the continued co-operation received from various regulatory authorities including the Registrar of Companies, Securities and Exchange Board of India, Stock Exchanges and Depositories. We also recognize and appreciate the sincere hard work, loyalty and efforts of the employees and look forward to their continued support.

Place : Cochin  
Date : 29.05.2012

**V RAMACHANDRAN**  
CHAIRMAN



## ANNEXURE - A CONSERVATION OF ENERGY

- a) Energy conservation measures taken:
- 1) Introduced one Thermax Boiler using agro based material as fuel in PCPB Plant replacing the diesel oil fired boiler for the hot press, thereby avoiding usage of high cost of diesel oil for the process.
  - 2) Commissioned second Briquetting machine and started manufacturing briquettes of increased calorific value from sawdust available in the Plant and also in the surrounding industries, as a replacement for other forms of Agro based materials and waste utilization.
  - 3) Introduced Chipper cum grinder machine in the briquetting area to chip veneer waste and utilize for manufacturing briquettes of increased calorific value.
  - 4) Replaced all defective capacitors to improve power factor.
  - 5) The internal energy audit cell has been reconstituted and energy audit is being carried out.
- b) Additional investments / proposals being implemented for reduction of Consumption of Energy :
- 1) Replacement of old VT 10 Thermopack boiler in plywood section by a new VTCY 10 unit for increasing the efficiency and thereby reducing fuel consumption.
  - 2) Introduction of Veneer chipper for Thermax Boiler CPV 160/24 for utilizing veneer waste available in the Plant and reducing usage of fresh rubber firewood purchased from outside.
  - 3) Energy audit with focus on saving in power and steam energy is planned in all sections.

### (B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

1. Efforts in brief, made towards technology absorption, adaptation & Innovation
- A resin impregnator with 2 section drier was installed to take trials on phenolic impregnated paper and has emerged successful.
  - Studies on improving the acoustic properties of Ultraklick Flooring boards were undertaken using commercially available polymeric dispersions and new formulations.
  - Lab-Scale trials to explore the potential of plant extracts as eco-friendly wood preservatives, were carried out.
2. Benefits derived as a result of the above efforts.
- The impregnated paper enabled us to dry press veneer on to plywood base and hence reduce glue penetration in decorative plywood. Also helped in manufacturing low moisture content plywood.
  - A new polymeric dispersion formulation for improving the acoustic properties of Ultraklick flooring
  - Better understanding of the nature and effect of natural wood preservatives, which is useful for further investigation on their use in large scale operation.