



**The Western India Plywoods Limited**

# 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

## BOARD OF DIRECTORS

### CHAIRMAN:

Shri V Ramachandran

### DIRECTORS:

Shri N.L Vaidyanathan

Shri Bhaskar Menon

Shri M.R Karmachandran

Shri Ranjith Kuruvila

Shri Y.H Malegam

Shri. T. Bala Krishnan

Smt. Pushya Sitaraman

### MANAGING DIRECTOR:

Shri P.K Mohamed

### JOINT MANAGING 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

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Shri V Ramachandran  
*Chairman*



Shri N.L Vaidyanathan  
*Director*



Shri V.H Malegam  
*Director*



Shri Bhaskar Menon  
*Director*



Shri. T. Bala Krishnan  
*Director*



Shri Rangth Kiruvita  
*Director*



Shri M.R Karmachandran  
*Director*



Shri P.K Mohamed  
*Managing director*



Shri P.K Mayan Mohamed  
*Joint Managing Director*

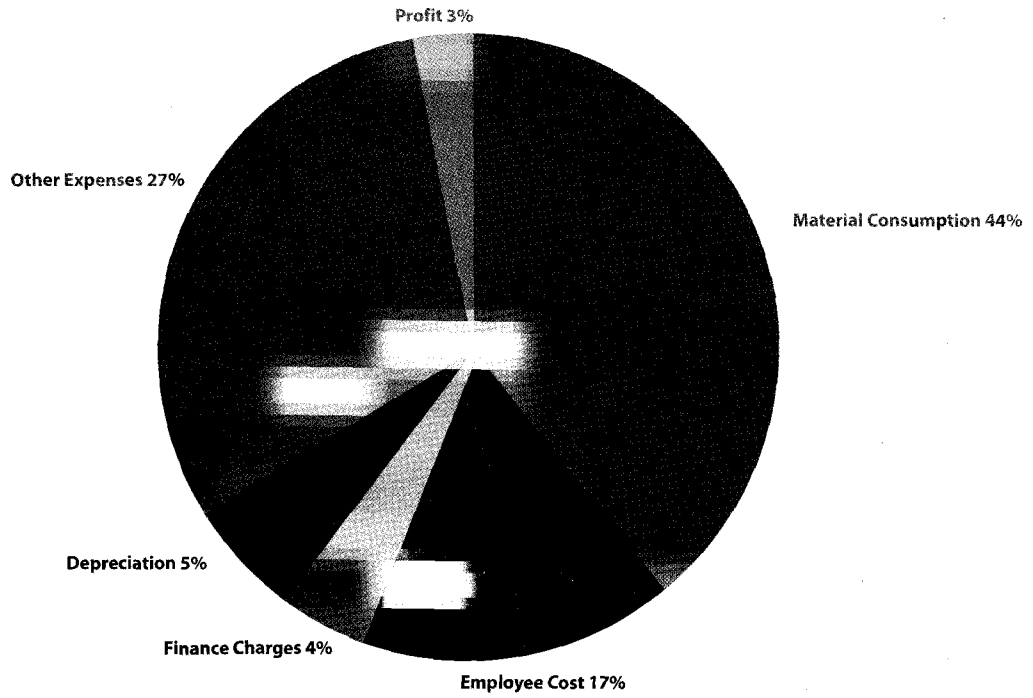


Smt. Pushya Sifaraman  
*Director*

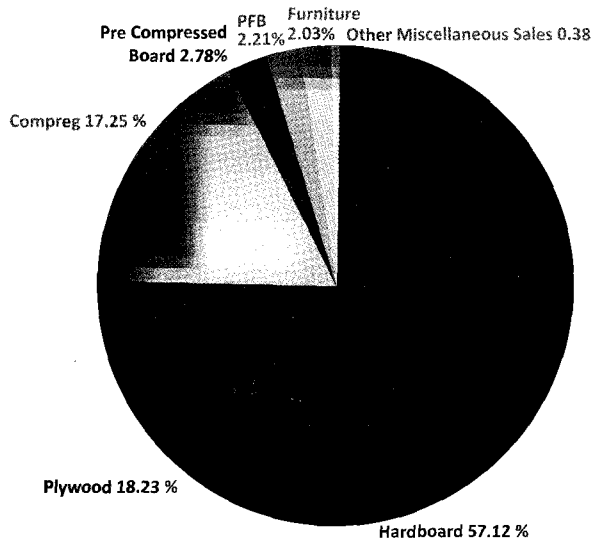


Shri R Balakrishnan  
*Company Secretary &  
General Manager (Finance)*

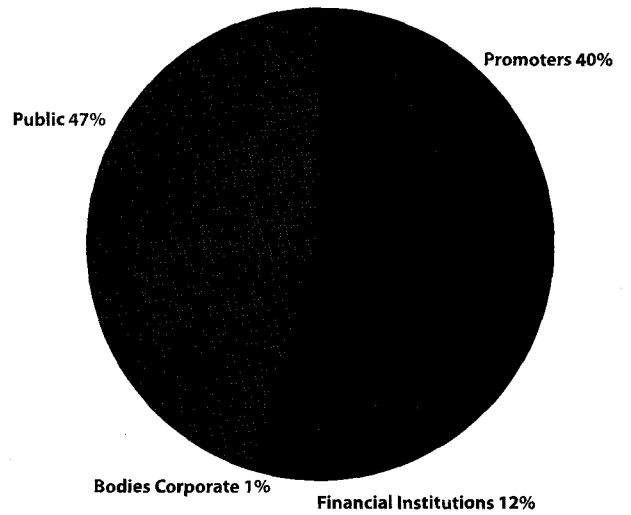
# Revenue Distribution



# Product Mix



# Shareholding Pattern



Dear Members,

Your Directors have pleasure in presenting the 68<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, 2013.

#### STATEMENT OF PROFIT AND LOSS

	(Rs. in lakhs)	
	<b>2012-13</b>	<b>2011-12</b>
Gross Sales	9623.40	10081.30
Other Operating Revenue	15.76	16.07
Less: Excise Duty	969.59	833.02
Revenue from Operations (Net)	8669.57	9264.35
Other Income	66.25	11.66
Profit Before Tax	238.11	673.56
Less: Provision for Tax	90.85	77.03
Profit for the Year	147.26	596.53

#### COMPARISON

The Company could achieve a turnover of Rs.96.23 Crores during the year. The Profit before tax is Rs.2.38 Crores. Though higher turn over and Profit was expected during the financial year, the overall turnover has come down compared to previous year due to the global recession which has affected the export market severely. Steps have been taken by your Company to negate the adverse effect in the export market and conditions are found to be improving.

As already reported last year the company has started a Joint Venture in Malaysia for the production of good quality veneers. The above Joint Venture company has become fully operational during the year.

The company could get 1890 CBM of veneers worth Rs.3.27 Crores from the Joint Venture Company. This will definitely improve further in the coming years and thereby production and turnover of Plywood will go up.

During the year the company has entered a long term settlement with Trade Unions for Wage revision and the increase of expenses on account of this comes to Rs. 3.4 Crores for the whole year. Similarly the power cost also has gone up from Rs. 5.99 Crores to Rs. 6.73 Crores on account of revision in tariff by KSEB. These two major factors have reduced the Net Profit.

#### DIVIDEND

The Board of Directors recommends the dividend due, on Preference Shares upto 31/03/2013, which works out to Rs.12.60 Lakhs. The Board also recommends payment of dividend of 6% on equity shares (Re. 0.60 per share), which works out to Rs. 50.92 Lakhs. The Dividend Tax payable comes to Rs.10.79 Lakhs.



## DIRECTORS

Shri Y H Malegam and Shri Ranjith Kuruvilla retire by rotation and are eligible for re-appointment.

Shri T Balakrishnan, IAS (retired) and Smt Pushya Sitaraman, a leading Advocate have joined our Board as additional Directors. Their long professional experience will contribute for the development of the company. Brief particulars and expertise of these Directors and committee membership have been given in the annexure to the notice of the Annual General Meeting in accordance with the requirements of listing agreement with stock exchanges.

All these directors have filed Form - DDA with the company as required under the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act 1956), Rules 2003.

## SUBSIDIARY COMPANIES

The Audited consolidated financial statements incorporating the accounts for the subsidiary Companies viz Southern Veneers & Wood Works Ltd, Kohinoor Saw Mill Co Ltd , Era & WIP Timber JV SDN BHD, Malaysia and Mayabandar Doors Ltd for the period ended 31/03/2013 are attached.

In April, 2012, the Company has acquired 88.68% shares of M/s Mayabandar Doors Ltd, Mysore at an investment of Rs. 2.32 Crores. M/s Mayabandar Doors 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 are 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 31.03.2013 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 sub 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.

### **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.

On behalf of the Board of Directors

Place: Cochin  
Date : 30.05.2013

**P.K MOHAMED**  
Managing Director

**P.K MAYAN MOHAMED**  
Joint Managing Director



## **ANNEXURE - A** **CONSERVATION OF ENERGY**

- a) Energy conservation measures taken:
- 1) Introduced Variable Frequency Drives in the following areas for effecting substantial saving in electrical energy:
    - i) Panel cutter in plywood plant
    - ii) Round cutting machine in Components plant
    - iii) White water pump Motor in HB plant
  - 2) Replaced all defective capacitors to improve power factor.
  - 3) 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) Introduction of MAXSTEAM wood fired steam boiler capable of generating 5 tons/hr. for increasing the efficiency of presses in densified wood section.
  - 2) 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
  - Development and study of strength properties of wood veneered hardboard.
  - Development of plywood using wood veneer and a non-wood lignocellulosic mat.
2. Benefits derived as a result of the above efforts.
  - A new product, veneered hardboard suitable for interior applications.
  - The use of non-wood lignocellulosic mat, formed a part of our efforts to partially replace wood with other potential low-cost materials.

## **R & D HIGHLIGHTS FOR 2012- 2013**

- 1 Specific areas in R&D Carried out by the Company: Development of wood panel product, wood preservation, synthetic resin adhesives and waste utilization
- 2 Benefits derived as a result of the above R & D: New product development, value addition, cost reduction and recognition of excellence relating to wood panel products and waste recycling
- 3 Future plan of action New Research Projects on: 1. Dimensional Stability of wooden flooring boards 2. Effect of tree bark extracts on phenol formaldehyde resin preparation



4. Expenditure on R & D :
- |                            |   |                |
|----------------------------|---|----------------|
| a) Capital                 | : | Nil            |
| b) Recurring (Salaries)    | : | Rs. 5.98 Lakhs |
| c) Others                  | : | Rs. 3.05 Lakhs |
| d) Total R & D expenditure | : | Rs. 9.03Lakhs  |
| e) % of Total Turnover     | : | 0.09%          |

### ISO CERTIFICATION

The Certification for ISO 9001-2008 was done by M/s Bureau Veritas Certification(I) private Ltd and the certificate for manufacturing and sales of Hardboard, WIPLAC, pre-finished Boards, Plywood ,Blockboard,Flush Doors,Densified Wood products and pre-compressed Press Boards is valid upto October,2014

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

	<i>(Rs in Lakhs)</i>	
	2012-13	2011-12
Foreign Exchange Earned-FOB	966.25	1306.05
<b>Expenditure in Foreign Exchange</b>		
Foreign Travel	7.98	12.37
Commission	12.21	8.82
Raw Materials	639.88	780.78
Spares	35.97	29.57

### REPORT ON CORPORATE GOVERNANCE

The Board of Directors is pleased to present the Report on the compliance of Corporate Governance for the financial year ended 31.03.2013.

### CORPORATE GOVERNANCE PHILOSOPHY

As an ISO 9001-2008 unit engaged in manufacture and sale of a range of wood products, the Company assures product quality and accountability and integrity in its operation and also in its relation with shareholders, customers, employees, Government and other business associates.

The Company strives towards ensuring transparency and professionalism in all decisions and spheres of operation, achieving excellence in Corporate Governance by conforming to the prevalent mandatory guidelines on Corporate Governance.

### BOARD OF DIRECTORS

Composition: The Board comprises of eminent persons with considerable professional experience in various fields. The details of Board composition as on 31.03.2013 are appended below:



Name & Position of the Director	Category	No. of Shares Held in WIP	Attendance at		Directorships & Chairmanship/ Membership of Board Committees in the other Companies as on 31.03.2013		
			Board Meeting	Last AGM	Director Member	Committee	Committee Chairman
Shri V Ramachandran Chairman	NE Independent	4380	3	Yes	1	-	-
Shri V L Vaidyanathan Director	NE Independent	1000	4	Yes	-	-	-
Shri Bhaskar Menon Director	NE Independent	16510	2	No	2	2	-
Shri Karmachandran Nominee Director	NE Independent	-	2	Yes	5	1	-
Shri E Ranjith Kuruvilla Director	NE Independent	124620	2	No	10	-	-
Shri Y H Malegam Director	NE Independent	3140	3	Yes	7	1	5
Shri T Balakrishnan Director	NE Independent	-	3	No	10	-	-
Smt Pushya Sitaraman Director	NE Independent	-	1	No	-	-	-
Shri P K Mayan Mohamed Joint Managing Director	Promoter, Executive	71150	4	Yes	8	-	-
Shri P K Mohamed Managing Director	Promoter, Executive	337280	3	Yes	7	-	-

None of the Directors is disqualified under Section 274(1)(g) of the Companies Act, 1956 read with Companies (disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) rules 2003. Necessary disclosures have been made by the Directors stating that they do not hold any membership in more than 10 Committees or Chairmanship of more than 5 Committees in terms of clause 49 of the Listing Agreements.

## BOARD MEETINGS AND ANNUAL GENERAL MEETING

### Board Meeting:

During the year 4 Board meetings were held, the dates being 29.05.2012, 13.08.2012, 06.11.2012 and 09.02.2013.

The last AGM was held on 13.08.2012.