



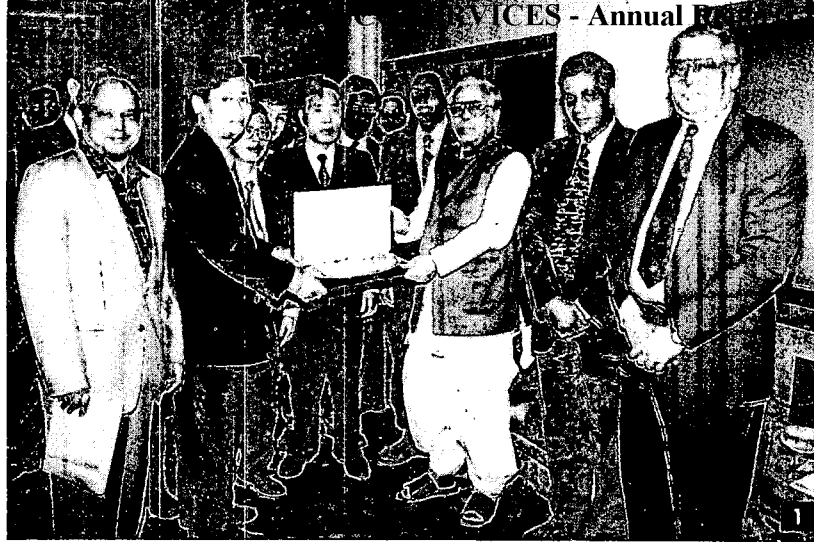
Setting goals – meeting targets

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	NA		SHI	✓
YE	✓			

WPIL



WPIL Limited
Annual Report 1997-98



- 1** Prof. Vu Trong Hong, Vice Minister, MARD, Vietnam, is being felicitated by Shri Bidyut Ganguly, Minister Commerce & Industry, Govt. of West Bengal, on his visit to WPIL.
- 2** Prof. Vu Trong Hong, Vice Minister, MARD, Vietnam, at our Ghaziabad Plant.
- 3** Contract Signing Ceremony for the 2nd Vietnamese Contract awarded to WPIL.
- 4** World Bank Country Director alongwith Shri Aftab Seith, Indian Ambassador to Vietnam in WPIL's Stall at the Hanoi- India Trade Fair.

WPIL LIMITED

DIRECTORS

D. KHAITAN	— Chairman
A. K. PALIT	— Managing Director
B. K. SARKAR	— (I.C.I.C.I. Nominee)
A. KHAITAN	
B. L. PUROHIT	
A. GOENKA	
DR. P. D. OJHA	
B. GUPTA	
C. K. PASARI	

AUDITORS

LOVELOCK & LEWES
Chartered Accountants

SECRETARY

B. C. DAS

BANKERS

STATE BANK OF BIKANER AND JAIPUR
STANDARD CHARTERED BANK
CENTRAL BANK OF INDIA
ALLAHABAD BANK
VIJAYA BANK

REGISTRARS

ABC COMPUTERS PRIVATE LIMITED
43/3, HAZRA ROAD
CALCUTTA - 700 019

WPIL LIMITED

REGISTERED OFFICE

FOUR MANGOE LANE
SURENDRA MOHAN GHOSH SARANI
CALCUTTA - 700 001

CORPORATE AND EASTERN REGION OFFICE

'CIRCULAR COURT'
8, A.J.C. BOSE ROAD
CALCUTTA - 700 017

WESTERN REGION OFFICE

MACKINNON MACKENZIE BUILDING
SHOORJIE VALLABHDAS MARG
POST BOX NO - 565
MUMBAI - 400 038

SOUTHERN REGION OFFICE

A-7 MEHBUBANI TOWERS
48 DR. B. N. ROAD
T. NAGAR
CHENNAI - 600 017

NORTHERN REGION OFFICE

A-5, SECTOR 22, MEERUT ROAD
GHAZIABAD - 201 033 (UP)

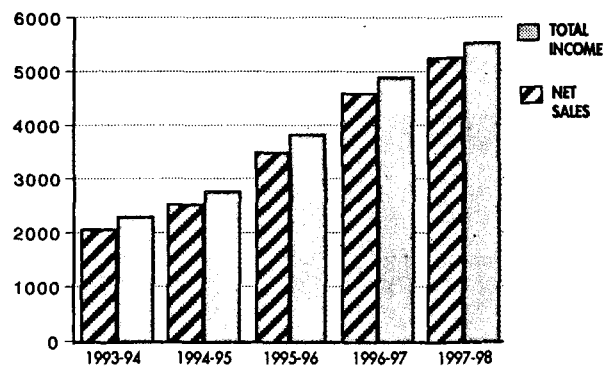
MANUFACTURING FACILITIES

22, FERRY FUND ROAD, PANIHATI
24-PARGANAS (N), W. BENGAL

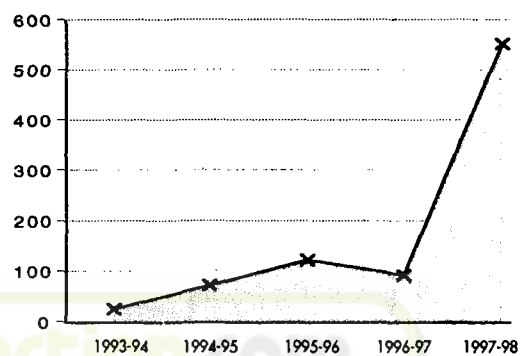
A-5, SECTOR 22, MEERUT ROAD
GHAZIABAD - 201 003 (UP)



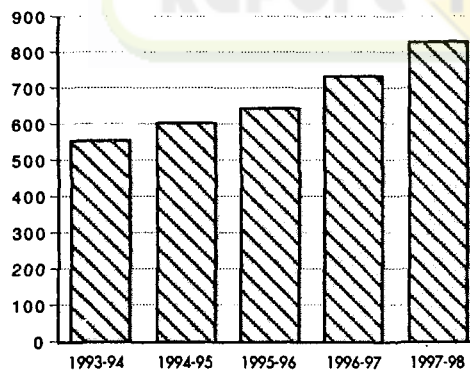
TOTAL INCOME & NET SALES (Rs. Lacs)



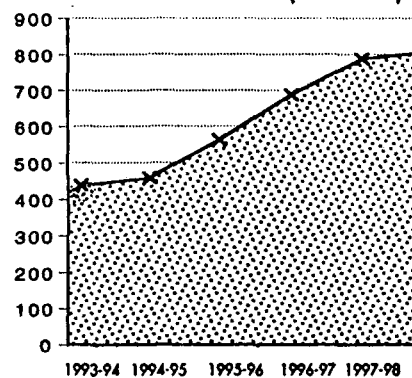
EXPORT TURNOVER (Rs. Lacs)



NET WORTH (Rs. Lacs)



GROSS PROFIT (Rs. Lacs)





FINANCIAL HIGHLIGHTS

(Rs.Lacs)

Particulars	1998	1997	1996	1995	1994
Financial positions					
Share capital	397	397	397	397	397
Reserves & Surplus (Net of Revaluation Reserve)	433	336	246	210	160
Net Worth	830	733	643	607	557
Gross Block	1984	1697	1606	1529	1470
Accumulated Depreciation	970	870	782	694	609
Net Block	1014	827	824	835	861
Summary of Operations					
Total Income	5530	4898	3825	2766	2312
Profit before Depreciation, Interest and Tax	789	692	563	459	438
Interest	488	422	403	332	321
Cash Profit	301	270	160	127	117
Profit Before Tax	210	190	81	51	43
Profit After Tax	98	155	75	51	43
Dividend	Nil	15%	10%	Nil	Nil
Earning Per Share	Rs.2.46	Rs.3.91	Rs.1.89	Rs.1.28	Rs.1.10



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors submit their report alongwith the Audited Accounts for the Financial Year ended 31st March, 1998.

THE YEAR IN RETROSPECT

Despite adverse market conditions prevailing particularly in the capital goods industry including Pump Industry, the Company could achieve further growth in its turnover during the fiscal year 1997-98. The sales turnover of the Company has been Rs. 55 Crores during the year as against previous year's turnover of Rs. 49 Crores posting a growth of 12%. The profitability during the year has been Rs. 2.1 Crores as against Rs. 1.9 Crores in the previous year showing almost commensurate increase despite additional new provision of leave encashment for employees which was not there in the previous year.

FINANCIAL RESULTS

	1997-98 Rs. in Lacs	1996-97 Rs. in Lacs
Total Income	5530.12	4898.23
Profit before Interest & Depreciation	789.44	692.34
Less : Interest	488.58	422.32
Profit before Depreciation	300.86	270.02
Less : Depreciation	91.24	79.67
Profit after Depreciation & Interest	209.62	190.35
Less : Provision for Taxation for the current year	112.00	35.10
Profit after Taxation	97.62	155.25
Add : Balance brought forward from previous year	117.82	62.75
Add : Transfer from Investment Allowance Reserve	7.54	15.28
Available for Appropriation	<u>222.98</u>	<u>233.28</u>
The Directors recommend disposal as follows :		
Transfer to General Reserve	25.00	50.00
Payment of dividend on Ordinary Shares - NIL (1996-97 @ 15%)	—	59.51
Provision for Taxation on Dividend	—	5.95
Balance to be carried forward	<u>197.98</u>	<u>117.82</u>
	<u>222.98</u>	<u>233.28</u>

OPERATIONS

During the year under review there has been a substantial increase in production and sale of units, viz. Vertical Turbine Pumps as well as Submersible Pumps produced in the two manufacturing plants of the Company.

Turnover of Vertical Turbine Pump has increased from Rs. 11.6 Crores in the last year to Rs. 15.4 Crores in the current year at Panihati registering a growth of 32%. This growth has helped Panihati to achieve an overall growth of 7% in its billing despite adverse situation in the parts business for lower order book.

Ghaziabad Plant has recorded yet another year of impressive performance achieving 28% of growth in its turnover for Submersible Pumps at Rs. 10 Crores during the year as against Rs. 7.8 Crores in the previous financial year.

The profit before tax during the year has been Rs. 2.1 Crores as against Rs. 1.9 Crores in the previous year recording an increase of 11%. Certain factors restricting the growth in profitability are new provision for leave encashment which was not there in the previous years, lower contribution due to change in the product mix with lesser contents of parts, sale, increase in selling expenses for stiff competition in the market etc.



DIRECTORS' REPORT TO THE SHAREHOLDERS

MARKET

The year under review has witnessed an incipient economic recession particularly in the capital goods industry caused by various reasons including political and other external factors. The main market for the Company's products like the Power Sectors and other Government projects have not seen much activities for indecision or delayed decisions or for fund constraints. The Company's sales booking did not pick up to the extent it was expected with imperative reflection on its operation for the year.

Heartening to note that the uncertainties and delay in decisions are being removed and there are certain spurts in the activities in the areas, where the Company is operating to yield better results in the current financial year.

EXPORT

The Year under review has shown a phenomenal growth in export sales. The export sales has gone five times higher to Rs. 553 lacs against Rs. 95 lacs achieved during the previous year.

The Company has been able to complete the first contract received from Vietnam well in time. Further contracts from Vietnam have been received and also from other markets like Thailand, Malaysia etc.

The Company has taken a major thrust in exports which is expected to yield rich dividends in the near future; this is also expected to reflect in our export sales for the current financial year.

The Company has been awarded the Certificate of Export Excellence during the year under review in recognition of its continued good export performance.

FUTURE OUTLOOK

The Capital Goods market looks to be still sluggish. However, recent measures undertaken by the Government for Power and Infrastructure are expected to improve the market conditions. The future looks to be bright and the results for the current financial year is expected to be better barring some unforeseen circumstances.

ISO 9001 AND QUALITY MANAGEMENT

The Company has been able to obtain re-certification of ISO 9001 for Panihati Plant and Marketing and Sales after having gone through the re-certification audit by the appropriate authorities.

The programme of Total Quality Management (TQM) earlier undertaken by the Company for achieving improvement by reducing unquality cost and bigger customer satisfaction has started yielding results. All possible efforts are also being taken to maintain quality at both the Plants.

EXPANSION AND MODERNISATION

Part of the programmes envisaged in the 1st Phase of Expansion and Modernisation is nearing completion and production capacity at Panihati Plant has been augmented for medium and large sizes of Pumps. It is expected that the balance work will also complete within the current financial year.

DEVELOPMENT AND DIVERSIFICATION

The Company has upgraded and modernised the information technology hardware as well as software particularly in Research & Development Centre at Panihati, Production Planning and Financial Functions and Marketing & Sales at Corporate Office. Further modernisation and upgradation are envisaged in other areas of operations/locations particularly at Ghaziabad Plant which will result in improvement of Company's performance.

APPRECIATION

Your Directors would like to place on record their appreciation for the co-operation extended by the employees at all levels. The Directors acknowledge with gratitude the co-operation and assistance received from the Central Government, various State governments and Government Undertakings, Financial Institutions, Banks, Suppliers, Customers and all those associated with the Company during the year under review.



DIRECTORS' REPORT TO THE SHAREHOLDERS

AUDITOR'S COMMENTS

With regard to the Auditor's comments on non-provision of gratuity payable to employees on retirement at a future date, your attention is drawn to Note 6 on Schedule XV which is self explanatory. As regard old receivables your attention is drawn to Note No: 5 of Schedule XV which is self explanatory.

DIRECTORS

The Directors regret to inform that Mr. P. Bajaj, the Vice Chairman of the Company, expired on 23rd February, 1998 during his overseas tour.

The Board wish to place on record its sincere appreciation for the valuable services rendered by Mr. Bajaj during his association with the Company as a Director.

Mr. A. Khaitan and Mr. C. K. Pasari vacate office as Directors in terms of Article 122 of the Articles of Association of the Company read with Section 262 of The Companies Act, 1956 as Mr. B. M. Khaitan and Mr. T. G. Greene in whose place they were appointed respectively, would have retired by rotation at the ensuing Annual General Meeting had they continued to hold office.

The Company has received notices from two members under Section 257 of The Companies Act, 1956, signifying their intention to propose the appointments of Mr. A. Khaitan and Mr. C. K. Pasari as Directors of the Company at the ensuing Annual General Meeting.

Pursuant to provisions of the Articles of Association of the Company, Mr. A. Goenka retires by rotation and, being eligible, offers himself for re-election.

AUDITORS

Messrs Lovelock & Lewes, Chartered Accountants, the auditors of the Company retire and being eligible, shall, subject to Section 224 (2) of The Companies Act, 1956, be re-appointed.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo, as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in the Annexure - "A".

PARTICULARS OF EMPLOYEES

A statement showing the particulars of employees pursuant to the provision of Section 217 (2A) of The Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, is given in Annexure - "B", forming part of this Report.

Calcutta
25th June, 1998.

D. KHAITAN	Chairman
A. K. PALIT	Managing Director



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - A

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A) CONSERVATION OF ENERGY

- a) Energy conservation measures taken are :

During the year the Company has reduced Furnace Oil consumption by 1% over last year's consumption which was 7% to previous year, by adding special additive to Furnace Oil.

Recommendations of the Accredited Energy Auditor are being implemented in the various areas including awareness of workers for use of energy judiciously and thereby saving energy.

- b) Additional investments and proposals implemented/being implemented for reduction of consumption of energy:

An Air Compressor of 170 CFM has been installed and is operative during the lean hours in the evening saving 4000 KWH per month, thereby saving around Rs. 2 lacs per year.

As per recommendations of the Accredited Energy Auditor:

- i) A number of Energy Efficient Sodium Vapour lamps have been installed and saving a considerable amount of electricity.
- ii) 2 x 20 KVAR Capacitor Bank for Power Factor Improvement has been installed and the average Power Factor has increased to 85% from 79% resulting in a saving of Rs. 50,000/- during the year.

Additional Capacitor Bank of 80 KVAR will be installed to further improve Power Factor and there will be a saving of around Rs. 2.00 lacs per year, if implemented.

B) RESEARCH & DEVELOPMENT (R & D)

Following are the specific areas in which R & D has been carried out by the Company during the year under review:

NEW PRODUCT DEVELOPMENTS

- a) **Inclined Pump** for Vietnam Irrigation Project :
The Company executed a challenging Project for the development of Inclined Pump for the Ministry of Agriculture and Rural Development, Socialist Republic of Vietnam.
- b) Large Circulating Water Pump for Kayamkulam Pumping Station of NTPC.
- c) High specific speed turbine model for bridging the gap in the existing hydraulic design.
- d) High head turbine pump for reduction of number of stages.

COMPUTERISATION

CADD & CFD FACILITY AT PANIHATI PLANT

The Company has upgraded its Computer Aided Design and Drafting (CADD) facility by transferring its major design and drafting areas on high power PC Pentium Platform.

- Hydro-dynamic performance analysis of tilting pad bearing.
- Development of 3D Navier-Stokes solution for flow analysis in the Blade Channel of Pump.
- Upgradation of its design manual etc.
- Ghaziabad Plant Planning, Production and Financial Accounts has been computerised.