

ANNUAL
REPORT
AND
ACCOUNTS
1998-99

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WPIL Limited



FINANCIAL HIGHLIGHTS

	(Rs.Lacs)				
Particulars	1999	1998	1997	1996	1995
Financial Positions					
Share Capital	397	397	397	397	397
Reserves & Surplus (Net of Revaluation Reserve)	387	433	336	246	210
Net Worth	784	830	733	643	607
Gross Block	2220	1984	1697	1606	1529
Accumulated Depreciation	1089	970	870	782	694
Net Block	1131	1014	827	824	835
Summary Of Operations					
Total Income	4192	5530	4898	3825	2766
Profit before Depreciation, Interest and Tax	637	789	692	563	459
Interest	571	489	422	403	332
Cash Profit	66	300	270	160	127
Profit Before Tax	(44)	210	190	81	51
Profit After Tax	(46)	98	155	75	51
Dividend	Nil	Nil	15%	10%	Nil
Earning Per Share	Nil	Rs.2.46	Rs.3.91	Rs.1.89	Rs.1.28

WPIL LIMITED

NOTICE

NOTICE is hereby given that the Forty-sixth Annual General Meeting of the Company will be held on Friday, the 27th August, 1999 at 3.30 P.M. at 'Nilhat House', 11 R. N. Mukherjee Road, Calcutta 700 001, to transact the following business :

1. To consider and adopt the Audited Accounts of the Company for the financial year ended 31st March, 1999 and the Reports of the Directors and Auditors thereon.
2. To appoint Directors in the places of Mr. D. Khaitan and Dr. P. D. Ojha who retire by rotation and, being eligible, offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS :

To consider and, if thought fit, to pass with or without modification, the following Resolution :

AS A SPECIAL RESOLUTION :

4. "RESOLVED that in accordance with the provisions of Section 163 of the Companies Act, 1956, the Registers and Index of the Members of the Company and copies of Annual Returns together with copies of all Certificates and documents required to be annexed or attached thereto be kept with effect from 1st September, 1999 at the office of the Registrar and Share Transfer Agents of the Company, ABC Computers Private Limited at National Council of Education, Bengal Building, Jadavpur University Campus, Jadavpur, Calcutta - 700 032."

Registered office :
Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Calcutta - 700 001
19th July, 1999

By Order of the Board
WPIL Limited

B. C. DAS
Secretary

Notes :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than fortyeight hours before the meeting.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Item of the Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24th August, 1999 to 27th August, 1999 (both days inclusive).
4. Members are requested to direct all their correspondences to the Company's Registrars, ABC Computers Private Limited at National Council of Education, Bengal Building, Jadavpur University Campus, Jadavpur, Calcutta 700 032, quoting their respective Ledger Folio and the changes, if any, in the registered address may please be intimated to the said Registrars immediately.
5. A Member desirous of getting any information on the Accounts of operations of the Company is requested to forward his queries to the Company at least seven days prior to the meeting so that the required information can be made readily available at the meeting.
6. Pursuant to Section 205A of the Companies Act, 1956 all unpaid and unclaimed dividends for the year 1984-85 and 1985-86 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said years are requested to claim the amount from the Registrar of Companies, West Bengal at Calcutta.

WPIL LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item 4**

The Registered Office of ABC Computers Private Limited, the Registrar and Share Transfer Agents of the Company has been transferred to National Council of Education, Bengal Building, Jadavpur University Campus, Jadavpur, Calcutta - 700 032. The Board of directors of your Company has decided, subject to your approval, to keep the Register and Index of Members, copies of Annual Returns prepared under section 159 of the Companies Act, 1956 ('the Act') together with copies of certificates and documents required to be annexed thereto under the Act at the new Registered Office of ABC Computers Private Limited situated at the aforesaid address with effect from 1st September, 1999. Pursuant to the provisions of section 163 of the Act approval of the Members by way of Special Resolution is necessary for keeping the aforesaid Register, Index and documents etc. at any place in the same city, town or village where the Registered Office of the company is situate other than at the Registered office of the Company. Accordingly, the special resolution has been set out in the convening Notice and the Board recommends the same for your acceptance.

An advance copy of the proposed Special Resolution set out in the accompanying Notice will be delivered to the Registrar of Companies, West Bengal, Calcutta as required under section 163 of the Act.

None of the directors of the company is, in any way, concerned or interested in the resolution.



WPIL LIMITED

DIRECTORS

D. KHAITAN	— Chairman
A. K. PALIT	— Managing Director
B. K. SARKAR	— (I.C.I.C.I. Nominee)
A. KHAITAN	
A. GOENKA	
DR. P. D. OJHA	
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
NATIONAL COUNCIL OF EDUCATION, BENGAL BUILDING
JADAVPUR UNIVERSITY CAMPUS, JADAVPUR,
CALCUTTA - 700 032

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

10 & 11 BHAGTANI ENCLAVE
SONAPUR LANE,
OFF. L.B. S. MARG.
BHANDUP WEST
MUMBAI - 400 078

SOUTHERN REGION OFFICE

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

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NORTHERN REGION OFFICE

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

MANUFACTURING FACILITIES

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

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



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors submit their report along with the Audited Accounts for the Financial Year ended 31st March, 1999.

FINANCIAL RESULTS

	1998-99 Rs. in Lacs	1997-98 Rs. in Lacs
Total Income	4191.62	5530.12
Profit before Interest & Depreciation	636.95	789.44
Less : Interest	570.58	488.58
Profit before Depreciation	66.37	300.86
Less : Depreciation	110.85	91.24
Profit/(Loss) after Depreciation & Interest	(44.48)	209.62
Less : Provision for Taxation for the current/earlier year	2.00	112.00
Profit after Taxation	(46.48)	97.62
Add : Balance brought forward from previous year	197.98	117.82
Add : Transfer from Investment Allowance Reserve	—	7.54
Available for Appropriation	151.50	222.98
The Directors recommend disposal as follows :		
Transfer to General Reserve	—	25.00
Balance to be carried forward	151.50	197.98
	151.50	222.98

OPERATIONS

During the year under review Production and Sale of Vertical Turbine Pumps as well as Submersible Pumps are low as compared to earlier years due to inadequate order booking. However, there has been marginal increase in production and sale of Horizontal Pumps. Spares sale has been reduced marginally as compared to previous year. Turnover was also affected since a few customers could not lift the manufactured pumps of large value due to their fund constraints.

Moreover due to low demand, unit selling price has also been affected in view of severe competition in the market. Sale of bought out equipment is down during the year because of reduction in sale of Unit pumps. Sale of imported parts also suffered due to cessation of certain Agency Agreement.

In totality the turnover has come down by Rs. 1330 lacs (approx.) during the year resulting in net loss of Rs. 44.48 lacs before provision of arrear tax. The main reasons for this adverse performance is due to severe recession in Capital Goods Market. The effect on profitability could have been more severe but for the efforts by the Management to cut down the cost and bring down the expense drastically. Excluding finance charge, which has gone higher because of increased borrowing to manoeuvre overall cash crunch situation and inability of customers to pay for the debts, expenses have come down by nearly 10% over that of previous year. By exercising better control and efficient purchasing, the company could also achieve better contribution during the year and all these could help in restricting the loss to the reported level.

MARKET

In continuation with previous years, the main market for the company's products such as Power Projects and other Government Projects have been stagnating and hardly any project took off due to various reasons including political instability and other reasons. Whereas indecision prevailed in the clearance for new Power Plant, there has been hardly any project for expansion or revamping of existing ones. In the Irrigation Sector, excepting one or two States, none did go for new procurement of sizeable value.



The Company, however, enjoyed better response from the Export Market and could thereby reduce the severity of 'depressed demand' from the domestic front.

From the indications available and the action plan initiated by the Government, it appears that the downward trend for demand for the products will not only be arrested in the current financial year, but will turn to positive growth arising from sanction or startup of new Power Plant facilitated by incorporation of Power Finance Corporation and acceptance of Government to provide guarantee to IPP and the like.

EXPORT

The company could maintain its growth strategy in the export business by securing export orders worth Rs. 635 lacs against previous year's Rs. 553 lacs. For the first time the company has got an order from a Power Plant outside India to make a land mark in its historical record. In addition, quite a few new markets are added in the export front. Repeat orders were also obtained from few other countries after establishment of satisfactory performance result from the earlier supplies.

We have been able to penetrate into a few new markets such as Egypt, Jordan and Hongkong. Your Company for the first time has also received an export order from a Power Plant in Egypt. We have been able to maintain two major markets, i.e. Vietnam and Thailand by securing quite a few major large Pump contracts. This repeat order was possible due to better performance in execution of the order as well as quality of the products against earlier orders.

FUTURE OUTLOOK

The outlook for the current financial year appears to be much better based on the positive indication and trends already emerging with regard to market demand for company's products barring, of course, unforeseen circumstances.

ISO 9001 AND QUALITY MANAGEMENT

Ghaziabad Plant has received re-certification of ISO 9001 in the month of March, 1999.

The programme of Total Quality Management (TQM) is being pursued at both the Plants. This has resulted in reducing the cost of unquality and also improving customers' satisfaction. Your Company is pursuing TQM efforts to improve further.

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.

AUDITOR'S COMMENTS

With regard to the Auditor's comments on non-provision of Gratuity payable to employees on retirement at a future date as well as old outstanding under Sundry Debtors, your attention is drawn to Note No: 8 and Note No: 7, respectively of Schedule XIV which are self explanatory.

Y2K COMPLIANCE

The Company has taken appropriate and effective steps to make its Hardware and Software Y2K compliant well ahead of due time to eliminate problems, if any. The costs of ensuring year 2000 compliance have not yet been quantified, but are not expected to be significant.

DIRECTORS

Since the last report Mr. B. Gupta and Mr. B. L. Purohit resigned from the Board with effect from 29th April, 1999 and 19th July, 1999, respectively. The Board wish to place on record its appreciation for the valuable services rendered by Mr. B. Gupta and Mr. B. L. Purohit during their association with the Company as Directors.

Pursuant to the provisions of the Articles of Association of the Company, Mr. D. Khaitan and Dr. P. D. Ojha retire by rotation and, being eligible, offer themselves 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 reappointed.

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
19th July, 1999.

D. KHAITAN	Chairman
A. K. PALIT	Managing Director

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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 by improving Burners and by adding special additives 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:

All Compressor air lines have been made overhead replacing underground lines, thereby eliminating leakages and saving energy and also saving around Rs. 1.00 lac per year.

As per recommendations of the Accredited Energy Auditor:

- i) 3 Nos Capacitor Banks totalling 50 KVAR have been installed for improving Power Factor beyond 85% and there will be a saving of Rs. 1.00 lac per year.
- ii) Additional Capacitor Banks of 50 KVAR would be installed this year to improve the Power Factor further and there will be a saving of Rs. 1.00 lac 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:

SCIENTIFIC RESEARCH

Computational Fluid Dynamics for Flow Simulation in Pump :

This will help in :

- a) Development of Blade Generation Software for visualization of 3D blade geometry; task already completed and design validation is under process.
- b) Flow analysis and performance prediction of Pumps at design and off duty condition for evaluation of efficacy of theoretical design at design stage itself.
- c) Numerical simulation for prediction of internal losses in the Pumps leading to depletion of pump performance, efficiency, flow behaviour for identifying the phenomena responsible such as Stalling, Separation, Cavitation, Recirculation etc..
- d) Development of high specific speed non-over loading pump in the specific speed range of above 5000 upto 7500 and development of high efficient Axial Flow Pump with adjustable blade pitch in response to the changes in System parameters of the installation such as water level, flow rate etc.
- e) Successful execution of 56" Circulating Water Pump for National Thermal Power Corporation.
- f) Proto-type for 2-Pole range upto 200 HP of Submersible Pump has been developed and is being put for commercial exploitation.
- g) New design of Standard Submersible Pump with value addition is being developed and proto-type made for testing.
- h) Project is undertaken for improving aesthetics of Pumpsets.