



**ANNUAL  
REPORT  
AND  
ACCOUNTS  
1999-2000**

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**WPIL Limited**

# WPIL LIMITED

## NOTICE

NOTICE is hereby given that the Forty-seventh Annual General Meeting of the Company will be held on Monday, the 26th February, 2001 at 'Williamson Magor Hall', The Bengal Chamber of Commerce & Industry, 6 Netaji Subhas Road, Kolkata 700 001, at 11 A.M. to transact the following business :-

1. To receive and adopt the Audited Accounts of the Company for the financial year ended 30th September, 2000 and the Reports of the Directors and Auditors thereon.
2. To appoint Directors in the places of Messrs A. Khaitan and A. Goenka, 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 ORDINARY RESOLUTIONS :

4. "RESOLVED that Mr. P. Agarwal, be and is hereby appointed a Director of the Company whose period of office will be liable to determination by retirement of Directors by rotation."
5. "RESOLVED that Mr. S. Mukherjee, be and is hereby appointed a Director of the Company whose period of office will be liable to determination by Retirement of Directors by rotation."

By Order of the Board  
WPIL Limited

Kolkata  
5th January, 2001

B. C. DAS  
Secretary

### Notes :

1. A Member entitled to attend and vote at the Annual General Meeting may 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 situated at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata 700 001 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 Items of Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain close from the 20th February, 2001 to 26th February, 2001 (both days inclusive).
4. A Member desirous of getting any information on the Accounts or 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 available at the Meeting.
5. Members are requested to direct all their correspondence to the Office of the Company's Share Transfer Agents quoting their respective Ledger Folio numbers and the changes, if any, in the registered addresses may please be intimated to the said Share Transfer Agents immediately.

## WPIL LIMITED

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item 4

Mr. P. Agarwal was appointed as an Additional Director on 7th June, 2000, and in accordance with the provisions of Section 260 of the Companies Act, 1956 ('the Act') he holds Office upto the date of this Annual General Meeting. The Company has received a notice in writing from a Member pursuant to Section 257 of the Act signifying his intention to propose the appointment of Mr. P. Agarwal as a Director of the Company, if appointed, and has filed with the Company his consent pursuant to Section 264(1) of the Act.

Having regard to the background and experience of Mr. P. Agarwal, the Board of Directors considers that his appointment as a Director of the Company will prove beneficial to the Company. The Board accordingly recommends the resolution set out in Item 4 of the convening Notice.

Mr. P. Agarwal is concerned in this Resolution. None of the other Directors of your Company is concerned or interested in the said resolution.

#### Item 5

Mr. S. Mukherjee was appointed as an Additional Director on 31st July, 2000, and in accordance with the provisions of Section 260 of the Companies Act, 1956 ('the Act') he holds Office upto the date of this Annual General Meeting. The Company has received a notice in writing from a Member pursuant to section 257 of the Act signifying his intention to propose the appointment of Mr. S. Mukherjee as a Director of the Company, if appointed, and has filed with the Company his consent pursuant to Section 264(1) of the Act.

Having regard to the background and experience of Mr. S. Mukherjee, the Board of Directors considers that his appointment as a Director of the Company will prove beneficial to the Company. The Board accordingly recommends the resolution set out in Item 5 of the convening Notice.

Mr. S. Mukherjee is concerned in this Resolution. None of the other Directors of your Company is concerned or interested in the said resolution.

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## WPIL LIMITED

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### DIRECTORS

D. KHAITAN	— <i>Chairman</i>
A. K. PALIT	— <i>Managing Director</i>
A. KHAITAN	
A. GOENKA	
DR. P. D. OJHA	
C. K. PASARI	
D. K. PAL	— <i>(I.C.I.C.I. Nominee)</i>
P. AGARWAL	
S. MUKHERJEE	

### 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**

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### **REGISTERED OFFICE**

FOUR MANGOE LANE  
SURENDRA MOHAN GHOSH SARANI  
CALCUTTA - 700 001

### **CORPORATE AND EASTERN REGION OFFICE**

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

### **WESTERN REGION OFFICE**

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

### **SOUTHERN REGION OFFICE**

1B, 1ST FLOOR, MANDIRA APARTMENT  
23-A 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)



## FINANCIAL HIGHLIGHTS

(Rs. Lacs)					
Particulars	2000	1999	1998	1997	1996
<b>Financial Positions</b>					
Share Capital	797	397	397	397	397
Reserves & Surplus (Net of Revaluation Reserve)	20	387	433	336	246
Net Worth	817	784	830	733	643
Gross Block	2625	2220	1984	1697	1606
Accumulated Depreciation	1276	1089	970	870	782
Net Block	1349	1131	1014	827	824
<b>Summary of Operations</b>					
Total Income	5431	4192	5530	4898	3825
Profit before Interest, Depreciation and Tax	576	637	789	692	563
Interest	787	570	488	422	403
Depreciation	(178)	111	91	80	79
Profit/(Loss) Before Tax	(389)	(44)	210	190	81
Profit/(Loss) after Tax	(393)	(46)	98	155	75
Dividend	Nil	Nil	Nil	15%	10%
Earning Per Share	Nil	Nil	Rs. 2.46	Rs.3.91	Rs.1.89

Current year represents 18 months operation



## DIRECTORS' REPORT TO THE SHAREHOLDERS

Your directors submit their report alongwith the Audited Accounts for the Financial year (18 months) ended 30th September, 2000.

### FINANCIAL RESULTS

	<b>1999-00</b>	1998-99
	<b>Rs. Lacs</b>	Rs. Lacs
Total Income	<b>5430.92</b>	4191.62
Profit before Interest & Depreciation	<b>576.41</b>	636.95
Less: Depreciation	<b>178.52</b>	110.85
Profit after Depreciation	<b>397.89</b>	526.10
Less: Interest	<b>787.11</b>	570.58
Profit/(Loss) after Depreciation & Interest	<b>(389.22)</b>	(44.48)
Provision for Taxation (for the previous year)	<b>3.60</b>	2.00
Profit/(Loss) after Taxation	<b>(392.82)</b>	(46.48)
Balance brought forward from previous year	<b>151.50</b>	197.98
	<b>(241.32)</b>	151.50
General Reserve	<b>215.00</b>	—
Balance carried forward	<b>(26.32)</b>	151.50

### CHANGE IN ACCOUNTING YEAR

The accounting year of the Company under review has been extended to cover 18 months ending 30th September, 2000 as decided by the Board of Directors and approved by the Office of ROC.

### OPERATIONS

During the period under review, operations of the Company have suffered due to inconsistent domestic market situation owing to recession in capital goods market particularly the Pump Industry, where the company is operating. The production and sale of both Vertical Turbine as well as Submersible Pump were low compared to earlier years due to inadequate order bank. Sale of spares have also gone lower due to paucity of funds with the customers, who are mainly Government or Semi-Government Undertakings. The dip in the domestic market for pumps or parts thereof was, however, compensated to a large extent by large value export orders from South East Asian countries, namely – Vietnam, Lao, Thailand, etc. Due to delay in receipt of such export orders, the shipment could not be completed from Panihati during the year. Also at Ghaziabad, the large value order for submersible pumps from U. P. Government was received formally after the end of financial year to affect turnover there as well for the year.

The total income recorded during the year was Rs.5431 lacs for eighteen months as against Rs. 4192 lacs during previous year of twelve months resulting thereby a short-fall of 13.62% on annualised basis.

During the period under review, there has been a total loss of Rs.392.82 lacs, which includes an amount of Rs. 200.73 lacs being the provision for doubtful debts made out of Sundry Debtors pertaining to earlier years because of delay in realisation despite the fact that efforts are still on to collect the due amounts. In this regard, your attention is drawn to Note 6 of Schedule XV.

The balance being the operational loss is primarily due to reduction in turnover. This would have been more, but could be arrested by concerted efforts of the Management in achieving cost reduction and expense control.

### ORGANISATIONAL RESTRUCTURING

During the year the Company has shifted its function of Corporate Office from Kolkata to Panihati Plant in totality. The office at 8, AJC Bose Road, Kolkata is in the process of being closed. This will bring about substantial reduction in the cost to be reflected in full from the next financial year. The company has earlier shifted its Regional Offices from Metro cities i.e. Mumbai, Chennai and Delhi to either suburb or nearby Plant basically to achieve cost reduction.



The Company is also exploring all other avenues for cost cutting in its operation including reduction of manpower by separation, wherever possible.

## **MARKET**

The domestic market particularly in Power as well as Irrigation and Water Supply has remained sluggish all through out the year. While the Company has been desperately looking for improvement in the domestic market, it is putting its full thrust to expand the export market to overcome the present situation. Such efforts have already yielded results in the form of large value order from South East Asian countries. Simultaneously efforts are being made to spread the market to other countries from where trial orders have been received.

## **FUTURE OUTLOOK**

The current financial year started with a reasonable order backlog. Domestic market is likely to improve in view of initiatives being taken by the Government of India. Export market is also looking better. With all these indications current financial year is expected to post a better and positive result barring unforeseen circumstances.

## **ISO 9001 AND QUALITY MANAGEMENT**

The ISO 9001 recertification for Panihati was due for audit by the representatives of TUV CERT, Germany, and the recertification audit has been done successfully in October, 2000.

The programme of Total Quality Management (TQM) earlier undertaken by the Company for achieving improvement by reducing unquality cost and bigger customer satisfaction is still continuing and we expect to achieve better results in coming years. All possible efforts are also being taken to maintain quality at both the Plants.

## **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 period 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, your attention is drawn to Note 7 on Schedule XV which is self explanatory.

## **FIXED DEPOSITS**

Deposits of Rs. 1.38 lacs were due for repayment as at 30th September, 2000 but remained unclaimed. However, subsequent to this date, deposits aggregating to Rs. 0.47 lac had been repaid.

## **Y2K COMPLIANCE**

The Company had a smooth transition into the year 2000 without any Y2K complaint and much cost.

## **CAPITAL**

In accordance with the Special Resolution passed by the Members under Section 81(1A) of the Companies Act, 1956 at the Extra Ordinary General Meeting of the Company held on 22nd March, 2000, 40,00,000 Equity Shares of Rs. 10/- each were issued on 31st March, 2000 for cash at par by way of Preferential Allotment. Consequent upon the said issue the paid-up capital of your Company stands increased to Rs. 7,96,70,800 divided into 79,67,080 Equity Shares of Rs. 10/- each.

## **DIRECTORS**

Since the last report, Mr. P. Agarwal and Mr. S. Mukherjee were appointed as Additional Directors with effect from 7th June, 2000 and 31st July, 2000 respectively and pursuant to Section 260 of the Companies Act, 1956 they hold Office as Directors until the forthcoming Annual General Meeting, and, being eligible offer themselves for re-appointment. 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. P. Agarwal and Mr. S. Mukherjee respectively as Directors of the Company at the ensuing Annual General Meeting.





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Pursuant to the provisions of the Articles of Association of the Company, Mr. A. Khaitan and Mr. A. Goenka retire by rotation and, being eligible, offer themselves for re-appointment.

#### **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.

Kolkata  
5th January, 2001.

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**

Energy conservation measures taken are:

At Panihati

- 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 at Panihati Plant.
- All 5 ft. 80 W tube lights have been replaced by 4 ft. mirror optics light fitting thereby saving energy.

At Ghaziabad

- Energy audit was carried out at Ghaziabad through Accredited Energy Auditors and as per their recommendation out of two, one of the power connections of UPSEB was disconnected and thereby there is a net saving of Rs. 5 lacs per year on energy cost. Other recommendations of Auditors are being 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:

- i) Design, Development and Testing of Inclined Pump and its system.
- ii) Development of Semi-Adjustable Axial Flow Propeller Pump for Export.
- iii) Development of 33" VT Pump.
- iv) Development of new pump for others on contract basis.
- v) Development of Hydraulic Pump including System for Nuclear Project.

**C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**IMPORT SUBSTITUTION

- Development of high thrust Tilting Pad Thrust Bearing for use in large vertical pumps.
- Absorption of technology for Horizontal Split Case Pump through extension of product range through in-house product range.
- Adoption of Computational Technology for acquiring in-house expertise for flow simulation inside the impeller and diffuser blade rows.
- Adoption of State of the Art unidirectional Clutch Technology for replacement of existing design of NRR used for our conventional vertical pump as an effort towards improvement of product quality and operational reliability.

FUTURE PLAN OF ACTION

- Establishment of Computational Fluid Dynamic (CFD) laboratory for Flow Analysis.
- Establishment of CFD Laboratory for numerical simulation of new pump design to establish the design.
- Acquiring of State of the Art CFD Package for Flow Analysis.
- Development of integrated Data Acquisition System for online capturing the performance data of pump and subsequent analysis and plotting of performance curves.