

ANNUAL
REPORT
AND
ACCOUNTS
2000-01



WPIL Limited



FINANCIAL HIGHLIGHTS

(Rs. Lacs)					
Particulars	2001	2000	1999	1998	1997
Financial Positions					
Share Capital	797	797	397	397	397
Reserves & Surplus (Net of Revaluation Reserve)	14	20	387	433	336
Net Worth	811	817	784	830	733
Gross Block	2693	2625	2220	1984	1697
Accumulated Depreciation	1412	1276	1089	970	870
Net Block	1281	1349	1131	1014	827
Summary of Operations					
Total Income	3950	5431	4192	5530	4898
Profit before Interest, Depreciation & Tax	517	576	637	789	692
Interest	464	787	570	488	422
Depreciation	130	178	111	91	80
Profit/(Loss) Before Tax	(77)	(389)	(44)	210	190
Profit/(Loss) after Tax	(77)	(393)	(46)	98	155
Dividend	Nil	Nil	Nil	Nil	15%
Earning Per Share (Rs.)	(0.96)	(4.93)	(1.16)	2.46	3.91

Year 2000 represent 18 months operation.

WPIL LIMITED

DIRECTORS

D. KHAITAN — *Chairman*
A. K. PALIT — *Managing Director*
A. KHAITAN
DR. P. D. OJHA
C. K. PASARI
D. K. PAL — *I.C.I.C.I Nominee*
V. N. AGARWAL
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

REGISTRAR

ABC COMPUTERS PVT. LTD.
NATIONAL COUNCIL OF EDUCATION, BENGAL BUILDING
JADAVPUR UNIVERSITY CAMPUS, JADAVPUR,
KOLKATA - 700 032

WPIL LIMITED

REGISTERED OFFICE

FOUR MANGOE LANE
SURENDRA MOHAN GHOSH SARANI
KOLKATA - 700 001

CORPORATE AND EASTERN REGION OFFICE

22 FERRY FUND ROAD, PANIHATI
24 - PARGANA (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

NORTHERN REGION OFFICE

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

MANUFACTURING FACILITIES

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

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



SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING

Date : 26 February, 2002
 Time : 11 A.M.
 Venue : Kalamandir (Basement)
 48 Shakespeare Sarani
 Kolkata - 700 017
 Book Closure : 20 February, 2002 to
 26 February, 2002
 (both days inclusive)

SHARE TRANSFER

All communications pertaining to share transfer may be addressed to the Company's Share Transfer Agents :

ABC Computers Pvt. Ltd.
 National Council of Education, Bengal Building
 Jadavpur University Campus, Jadavpur
 Kolkata - 700 032

STOCK EXCHANGES ON WHICH SHARES OF THE COMPANY ARE LISTED

The Calcutta Stock Exchange Association Ltd.
 7 Lyons Range, Kolkata - 700 001

The Stock Exchange, Mumbai
 P. J. Towers, Dalal Street
 Mumbai - 400 001

Listing Fees for the year 2001-02 have been paid to the above Stock Exchanges.

DEMATERIALISATION

The Company has entered into agreements with National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) to enable investors to hold and transact securities in electronic form. The depository system offers various advantages :

- Reduction in paper work.
- Elimination of bad deliveries.
- Prevention of loss in transit.
- Instant settlement and transfer of shares.
- Saving in stamp duty, postal charges, etc.
- Enhanced liquidity.
- Reduced litigation due to forged, fake or stolen scripts.

NOMINATION FACILITIES

Holders of shares, held singly or jointly upto two persons, can nominate another person to whom the shares will vest in the event of death of the shareholders. In case of joint holding, the nomination made will be effective only on the death of all the joint holders.



DIRECTORS' REPORT TO THE SHAREHOLDERS

Your directors submit their report alongwith the Audited Accounts for the Financial year ended 30 September, 2001.

FINANCIAL RESULTS

	2000-2001	1999-2000 (18 Months)
	Rs. Lacs	Rs. Lacs
Total Income	3950.49	5430.92
Less: Write back from Provision for doubtful debts created earlier	169.47	—
Net Operating Income	3781.02	5430.92
Profit before Interest & Depreciation	608.84	797.20
Less: Interest	464.27	787.11
Profit before Depreciation	144.57	10.09
Less: Depreciation	129.78	178.52
Operating Profit/(Loss)	14.79	(168.43)
Less: Prior period write offs (net)	91.59	220.79
Profit/(Loss) before Taxation	(76.80)	(389.22)
Provision for Taxation (for earlier year)	—	3.60
Profit/(Loss) after Taxation	(76.80)	(392.82)
Balance brought forward from previous year	(241.32)	151.50
Transfer from Investment Allowance (Utilised) Reserve	6.29	—
	(311.83)	(241.32)
General Reserve	215.00	215.00
Balance carried forward	(96.83)	(26.32)

OPERATIONS

The year under review witnessed the slowdown of market growth, reflecting poor performance of several sectors namely Capital Goods, Power, Engineering, Water Supply, Irrigation, etc. Your Company has a significant role to play in these Sectors. Against this back drop, your Company's main Plant at Kolkata performed reasonably well. The Company has succeeded in its efforts to augment the sales of parts/spares in the domestic market. The performance of Ghaziabad Plant was adversely affected owing to deferment of decisions concerning a number of tenders.

The sustained efforts of the Company over the past few years to explore and develop export market have started yielding results. WPIL has been able to reach out to several countries right from South East Asia to USA. During the year under review, the Company has registered significant growth in exports.

Continuing efforts on cost control/reduction have enabled the Company to economise on various items of expenditure. As a whole, despite sluggish economic conditions, your Company has been able to achieve marginal operating profit of Rs. 14.79 lacs for the year under review, as compared to the operating loss of Rs. 168.43 lacs suffered in the immediate preceding 18 months period ended 30 September, 2000. However, in view of certain adjustments effected, mainly on account of previous years' sales, the Company posted a net loss of Rs. 76.80 lacs for the year.

FUTURE OUTLOOK

The Indian Economy seems to be poised for upturn with, inter alia, the much awaited investments in infrastructure. We have started securing good orders for both Ghaziabad and Kolkata Plants. Apart from augmenting sales in the domestic market, it is the Company's stated objective to aggressively grow in exports. The Company proposes to achieve the objective by using dedicated resources and capacities for exports.

Barring unforeseen circumstances, your Company is confident of improving its performance in the Current year.



ISO 9001 AND QUALITY MANAGEMENT

The Company's Panihati operations have been re-certified for ISO 9001 which will now remain valid till September, 2003.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors state as follows :

1. That for the preparation of the annual accounts for the financial year ended 30 September, 2001, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors had prepared the annual accounts on a going concern basis.

DIRECTORS

Since the last report, Mr. A. Goenka resigned from the Board with effect from 26 April, 2001. The Board placed on record its sincere appreciation for the valuable services rendered by Mr. A. Goenka during his long association with the Company as Director. Mr. V. N. Agarwal was appointed as a Director in the vacancy caused by the resignation of Mr. A. Goenka.

The approval of the Members for the re-appointment of Mr. A. K. Palit as the Managing Director for a period of two years with effect from 25 June, 2000 and the remuneration payable to him will be sought at the ensuing Annual General Meeting of the Company.

Pursuant to the provisions of the Articles of Association of the Company Mr. P. D. Ojha and Mr. C. K. Pasari, retire by rotation and, being eligible, offer themselves for re-appointment.

FIXED DEPOSITS

Deposits of Rs. 0.80 lac were due for repayment as at 30 September, 2001, but remained unclaimed. There has been no subsequent claims so far.

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.

DEMATERIALISATION OF SHARES

Your Company has linked up with National Securities Depository Limited and Central Depository Services (India) Limited to provide Members with flexible trading in Company's Shares in electronic form.



AUDIT COMMITTEE OF THE BOARD

Pursuant to section 292(A) of the Companies Act, 1956 the Company has constituted an Audit Committee of the Board consisting of the requisite number of non-executive Directors. The Annual Accounts for the year ended 30 September, 2001 have been duly reviewed by the Committee before submission to the Board. The Members of the Committee are Dr. P. D. Ojha (Chairman), Mr. D. K. Pal, Mr. C. K. Pasari, Mr. S. Mukherjee and Mr. P. Agarwal.

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.

Place : Kolkata

Date : 27 December, 2001.

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**

Energy conservation measures taken are:

At Panihati

- Added 25 KVAR Capacitor Banks to Machine Shop resulting a rise of Power Factor upto 85% from 81% and saved the P.F. Surcharge of Rs. 4000/- (aprox) per month.
- Reduced the running hours of 55 KW compressor for 5 hours (from 5 pm to 10 pm) and made 40 KW Compressor running in that period which reduced power consumption of 10 KW/day, i.e. 250 KW/month and caused a money saving of Rs. 900/- per month.

At Ghaziabad

- Recommendations of the accredited Energy Auditors are being implemented in various areas including awareness of workers for use of energy judiciously and thereby saving energy at Ghaziabad Plant. Other recommendation of Auditors for provision of capacitor bank for improving power factor and soft starter for the motor of 250 HP has been planned for implementation in next financial year.
- All furnaces are now being run by LDO instead of HSD thus saving of energy to the tune of Rs. 1.00 lac per annum.

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) Development of Long Setting Inclined Pumps.
- ii) Development of Barge Mounted Vertical Mixed Flow Pump System.
- iii) Development of 20" High Head low NPSH multistage Can Type Vertical Pump.
- iv) Development of Hydraulic Design of High Head Low Specific Speed Turbine Pump.
- v) Development of new Hydraulic Design of high specific speed Mixed Flow Pump.

C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONIMPORT SUBSTITUTION

- Absorption of Technology for end suction and Horizontal Split Case Pump through extension of product range.
- Development of high thrust tilting pad thrust bearing for use in large Vertical Pumps.
- Adoption of computational technology for acquiring in-house expertise for flow simulation inside the pump impeller and diffuser blade rows towards new product development and efficiency upgradation.

FUTURE PLAN OF ACTION

- Development of Inclined Submersible Pump.
- Establishment of CFD Laboratory for numerical simulation of New Pump Design for upgrading efficiency of existing pump.
- Development of integrated Data acquisition system for on-line capturing the Performance Data of Pump and subsequent analysis and plotting of performance curves for inclined pumps as well as for large vertical CW Pumps towards improvement.



QUALITY SYSTEM

- Preparation for Institutionalization of new version of ISO 9001-2000 Quality System for re-Certification.
- Introduction of Statistical Quality Control (SQC) System.
- Drive for process improvement.

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiatives taken to increase exports, developments of new export markets for products and services, and export plans:

The Company has taken up following actions:-

- i) Concerted efforts in both Developing as well as Developed countries continued.
 - ii) Have been able to establish new markets in developed countries and obtained initial orders.
 - iii) Have been able to penetrate into very critical applications in developed countries.
 - iv) Upgraded Website and also various Marketing Tools required particularly for developed countries, such as, Pump Selection Software, Upgraded Data Book in Digital format, released into the market.
 - v) New Brochures published.
 - vi) Indian Trade Mission, i.e. various bodies like EEPC, EXIM Bank and also India Trade Mission are being pursued.
- b) Foreign Exchange Earnings and Outgo:

	Rs. Lacs
Total Foreign Exchange earned during the year (excluding the amount of Deemed Exports of Rs.23.54 lacs)	1091.68
Total Foreign Exchange used (Including those for Deemed Export Contracts)	316.03

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Place : Kolkata
Date : 27 December, 2001.

D. KHAITAN Chairman
A. K. PALIT Managing Director