



# **WPIL Limited**

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**ANNUAL**

**REPORT**

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**AND**

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**ACCOUNTS**

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**2005**

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A Member of  
Williamson Magor  
Group

## FINANCIAL HIGHLIGHTS

(Rs. Lacs)

Particulars	2005	2004	2003*	2001	2000*
<b>Financial Positions</b>					
Share Capital	797	797	797	797	797
Reserves & Surplus (Net of Revaluation Reserve)	58	14	14	14	20
Net Worth	855	811	811	811	817
Gross Block	2394	2400	2723	2693	2625
Accumulated Depreciation	1422	1376	1602	1412	1276
Net Block	972	1024	1121	1281	1349
<b>Summary of Operations</b>					
Total Income	5429	4004	5449	3950	5431
Profit before Interest, Depreciation and Tax	457	483	795	517	576
Interest	281	329	573	464	787
Depreciation	112	113	187	130	178
Profit/(Loss) before Tax	64	41	35	(77)	(389)
Profit/(Loss) after Tax	64	41	35	(77)	(389)
Dividend	Nil	Nil	Nil	Nil	Nil
Earning Per Share (Rs.)	0.81	0.51	0.44	(0.96)	(4.93)

\* Year 2000 & 2003 represents 18 months' operation.

## WPIL LIMITED

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### **DIRECTORS**

D. KHAITAN — *Chairman*  
P. AGARWAL — *Managing Director*  
V. N. AGARWAL  
SUPRIYO MUKHERJEE  
K. K. GANERIWALA  
SUBIR DASGUPTA  
C. K. PASARI  
SAMARENDRA NATH ROY

### **AUDITORS**

V. SINGHI & ASSOCIATES  
*Chartered Accountants*

### **SECRETARY**

AKASH MISHRA

### **BANKERS**

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

### **REGISTRAR**

MCS LIMITED  
77/2A, HAZRA ROAD, KOLKATA - 700 029  
PHONE NO. : (033) 2476 7350-54; 2454 1892/93  
FAX NO. : (033) 2454 1961/2474 7674  
E-MAIL : [mcscal@cal2.vsnl.net.in](mailto:mcscal@cal2.vsnl.net.in)

## **WPIL LIMITED**

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### **REGISTERED OFFICE**

FOUR MANGOE LANE  
SURENDRA MOHAN GHOSH SARANI  
KOLKATA - 700 001

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

22 FERRY FUND ROAD, PANIHATI  
KOLKATA - 700 114 (W.B.)

### **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  
KOLKATA - 700 114, (W.B.)

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

**WPIL Limited****NOTICE OF THE ANNUAL GENERAL MEETING TO THE MEMBERS**

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NOTICE is hereby given that the Fifty first Annual General Meeting of the Company will be held on Thursday, 28th day of July, 2005 at "Kala Kunj", Kalamandir (Basement), 48 Shakespeare Sarani, Kolkata – 700 017 at 11:00 A.M. to transact the following business:—

**ORDINARY BUSINESS**

1. To consider and adopt the audited Profit & Loss Account of the Company for the year ended 31st March, 2005, the Balance Sheet as on that date and the Directors' Report and Auditors' Report thereon.
2. a) To appoint a Director in place of Mr. Deepak Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
- b) To appoint a Director in place of Mr. Supriyo Mukherjee, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and, if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution :—

"RESOLVED that Mr. Samarendra Nath Roy, be and is hereby appointed a Director of the Company, whose period of office will be liable for determination by retirement of Directors by rotation".

5. To consider and, if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution :—

" RESOLVED THAT the consent of the Company be accorded to the re-appointment of Mr. P. Agarwal as the Managing Director for a period of 3 (three) years w.e.f. 1st July, 2005 on the following remuneration :-

**REMUNERATION :-**

Salary	- Rs. 75,000/- per month.
Commission	- At a rate of 1% of the profits of the Company subject to a ceiling of fifty percent of the Annual Salary.

**PERQUISITES :-**

In addition to the above, Mr. Agarwal shall be entitled to perquisites like furnished accommodation, gas, electricity, water and soft furnishings, medical reimbursement and leave travel concession for self and family, club fees, medical insurance, personal accident insurance, leave encashment at the end of the tenure or at specified intervals, benefits of Provident Fund and Gratuity Fund, Car and telephone etc. in accordance with the prevailing Rules in the Company. In case, no accommodation is provided by the Company to Mr. Agarwal, he will be paid House Rent Allowance at the rate of 60% of his basic salary. The aforesaid perquisites shall be restricted to the annual salary of Mr. Agarwal provided that the total remuneration payable to him by way of salary, commission and perquisites and contributions towards Provident Fund and Gratuity Fund on his account shall not exceed 5% of the net profits of the Company calculated in accordance with Section 198 and 309 of the Act.

**WPIL**

In the event of loss or inadequacy of profits in any year during the tenure of office, the remuneration payable to him, for that year shall be determined and allocated by the Board within the ceiling limit laid down in paragraphs 1 & 2 of Section II of Part II of Schedule XIII to the Act.

Registered Office :  
Four Mangoe Lane  
Surendra Mohan Ghosh Sarani  
Kolkata - 700 001

By Order of the Board  
WPIL Limited

Date : 23rd May, 2005  
Place : Kolkata

Akash Mishra  
Company Secretary

**NOTES :—**

- a) A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. However, in order to be effective, the Proxies must be lodged with the Registered Office of the Company at least 48 hours before the meeting.
- b) An Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
- c) The Share Transfer Books of the Company will be closed from 21st July, 2005 to 28th July, 2005 (both days inclusive).
- d) Members are requested to bring their copies of the Annual Report and Accounts to the Meeting.
- e) Members are requested to quote the ledger folio or Client ID and DP ID numbers in all communications with the Company.
- f) Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- g) Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

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**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 4**

Mr. Samarendra Nath Roy, an experienced technocrat, has been co-opted to the Board as an Additional Director on 23rd May, 2005 pursuant to Section 260 of the Companies Act, 1956 and holds office till the date of the forthcoming Annual General Meeting of the Company. Notice has been received from a member along with necessary deposit of Rs. 500/- signifying his intention to propose the appointment of Mr. Samarendra Nath Roy as Director of the Company. Consent in writing has been received from Mr. Roy pursuant to Section 264(1) of the Companies Act, 1956 signifying his willingness to act as a Director of the Company, if appointed. The Board considers that the appointment of Mr. Roy will be beneficial to your Company and accordingly recommends the acceptance of the relevant resolution set out in the Notice convening the Annual General Meeting.

None of the Directors other than Mr. Samarendra Nath Roy is interested in the Resolution.

The information required in terms of clause 49 of the Listing Agreement is provided alongwith the Notice.

**Item No. 5**

The tenure of the Managing Director, Mr. P. Agarwal, expires on 30th June, 2005 and the Board re-appointed Mr. Agarwal for a term of three years w.e.f. 1st July, 2005 on remuneration as approved by the Remuneration Committee of Directors and set out in the resolution.

Mr. P. Agarwal, having professional expertise in the field of Engineering and wide experience in Marketing Management and Industrial Operation, is leading the Company towards continuous growth and corporate excellence.

The Board considers that the re-appointment of Mr. P. Agarwal, as the Managing Director will be beneficial to the Company and accordingly recommends the acceptance of the relevant resolution, as set out in the Notice. The appointment and remuneration of Mr. P. Agarwal as Managing Director requires the approval of the Shareholders in terms of section 269 read with schedule XIII of the Companies Act, 1956.

None of the Directors other than Mr. P. Agarwal and his father Mr. V.N. Agarwal are interested in the resolution.

The proposed resolution alongwith the explanatory statement should be taken as abstract of the terms and memorandum of concern or interest of Directors as required under section 302 of the Companies Act, 1956.

Registered Office :  
Four Mangoe Lane  
Surendra Mohan Ghosh Sarani  
Kolkata - 700 001

By Order of the Board  
WPIL Limited

Date : 23rd May, 2005  
Place : Kolkata

Akash Mishra  
Company Secretary

**Details of the Directors seeking appointment/re-appointment at the Annual General Meeting**

<b>Name of the Director</b>	<b>Mr. Deepak Khaitan</b>	<b>Mr. Supriyo Mukherjee</b>	<b>Mr. Samarendra Nath Roy</b>
Date of Birth	09.05.1955	03.02.1955	21.06.1943
Date of Appointment	15.11.1991	31.07.2000	23.05.2005
Qualifications	B. Com., MBA (Geneva)	B. Com. (Hons.), FCA Chartered Accountant	B.Tech.(Hons.) in Electrical Engineering from IIT, Kharagpur
Expertise in specific functional areas	Hailing from a renowned family of Industrialists, Mr. Khaitan has indepth exposure to and involvement in steering diverse business and has gained considerable experience and expertise in management of Tea, Batteries and Engineering industries. At present, Mr. Khaitan is Executive Vice-Chairman and Managing Director of Eveready Industries India Ltd.	Having nearly 28 years post qualification experience encompassing overall management of Corporate entities with particular emphasis on Operations, Finance, Commercial, Taxation etc, etc. Discharged / Discharging functions, associated with the position of Chief Executive / Group President / Non-executive Director of various reputed manufacturing Companies.	Having 40 years post qualification experience in project management and execution of many big engineering projects including Farakka Super Thermal Power Project and Bakreshwar Thermal Power Station. Mr. Roy was Executive Director of BHEL, Bhopal and Jhansi units. At present, Mr. Roy is President of Techno Electric and Engineering Co. Ltd.
Other Directorships	Williamson Magor & Co. Ltd. Eveready Industries India Ltd. B & A Ltd. Babcock Borsig Limited Flender Ltd. Kilburn Chemicals Ltd. Mcnally Bharat Engineering Co. Ltd. Williamson Financial Services Ltd. The Morgan Tea Co. India Ltd. Kilburn Engineering Ltd. Mcleod Russel India Ltd. Majuli Tea Holdings Ltd., UK Williamson Maknam Ltd., UK	Kilburn Engineering Ltd. Kilburn Chemicals Ltd. One Two Three India.com Ltd.	NIL



## **DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting their Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March, 2005.

### **FINANCIAL RESULTS**

	<b>2004-05 (Rs Lacs)</b>	<b>2003-04 (Rs. Lacs)</b>
Total Income	<b>5429.36</b>	4003.91
Profit before Interest & Depreciation	<b>509.69</b>	556.53
Less : Interest	<b>280.67</b>	328.98
Profit before Depreciation	<b>229.02</b>	227.55
Less : Depreciation	<b>111.70</b>	113.27
Operating Profit	<b>117.32</b>	114.28
Less : Sundry write off [net]	<b>52.87</b>	73.20
Profit before Taxation	<b>64.45</b>	41.08
Provision for Taxation	<b>—</b>	0.43
Profit after Taxation	<b>64.45</b>	40.65
Balance brought forward from previous year	<b>(235.93)</b>	(276.58)
General Reserve	<b>215.00</b>	215.00
Balance carried forward	<b>43.52</b>	(20.93)

### **OPERATIONS**

Your Company has achieved Rs 50 Crore Turnover benchmark in the current year. Growth over last year in terms of turnover is reported to be 35% which appears to be satisfactory if maintained steadily. Gross profit during the year is reduced by 8% over last year, from Rs 556.53 lacs to Rs 509.69 lacs, though net profit has increased to Rs 64.45 lacs from Rs 40.65 lacs during the preceeding year. Increased input cost continues to affect the profitability position of the Company which, in other way, is countered by stringent cost control measures to check the fixed costs of the Company.

The overall performance during the year has registered significant improvement over the previous year, and with the continuity of present trend of growth, your Directors are confident to record a better performance in the next year.

### **DIVIDEND**

Due to inadequate profit, your Directors regret their inability to recommend any Dividend for the year under review.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges is appended below : -

### **INDUSTRY OUTLOOK**

The Capital Goods Industry is on the upswing due to the enhanced investments in both infrastructure and industry. Renewed focus on infrastructure particularly Power, Irrigation, Water Supply has led to a slew of new projects being

implemented. Hence, there is a growing demand for our products in the sector. Furthermore, with higher commodity prices, fresh investments are flowing into the core sector industries like steel, petrochemicals, paper and textiles. This has resulted in a healthy order book from the industrial sector. In all probability the uptrend looks set to continue for the next 3 – 4 years until the demand cycle is satiated.

In the above backdrop, the pump industry has a positive outlook and the efficient players will be able to take advantage. The threat remains the influx of the unorganized sector and the emphasis of most domestic customers on initial cost rather than life cycle cost. The pump industry is also being looked at by global pump majors as sourcing hub and also prospective market. The above factors should lead to consolidation within the industry to improve efficiency and competitiveness.

## **OPERATIONAL REVIEW**

The operations of both the plants of the Company at Panihati (Kolkata) and Ghaziabad (U.P.) have shown improved performance.

The Panihati unit which primarily caters to the Engineered and Large Pump business has shown improved performance in its activities. Large number of prestigious Power Sector orders for NTPC / GVK / L&T / CSEB were bagged and executed successfully. Similarly, the Company improved its focus on Water Supply with supplies to Aurangabad Municipal Corporation/ Surat Municipal Corporation and KMDA for their prestigious schemes.

The Ghaziabad facility which is a strong player in the Submersible and Horizontal sector has continued its aggressive foray into Mining, Oil & Gas and Water Supply. There was a large growth in the unit's output primarily due to execution of large schemes for RUIDP mainly in Water Supply Infrastructure.

Furthermore, the Company has enhanced its stature in the international market by adding customers in Europe and United States while strengthening its base markets of South East Asia, Australia and the Middle East. The Company now is a regular dependable supplier in the markets it operates. The export business would continue to be upper most in our focus to ensure our goal of being a dominant player in the Global Pump Industry.

## **FUTURE OUTLOOK**

The future outlook is bright for the Company with the large plans announced in the Power Sector and the Company has a large number of projects in hand.

Furthermore, the Irrigation Sector is assuming prime focus with the State Governments and we can see ambitious projects finally taking shape now. Water Supply and the slogan "Potable Water to Every Home" is now very prospective and the Government realizes its responsibility to its citizens.

Finally, industry especially the Steel and Mining Sector has announced very ambitious plans and if even a part is realized there should be huge demand for our products.

## **Opportunities and Threats, Risks and Concerns**

Your Company's main strength is its well equipped Research & Development department duly manned by competent, qualified and experienced personnel. This department is recognised by Government of India. Our company has testing facility at Panihati, capable of testing upto 90" pumps.

The biggest concern confronting the Company is rising input costs wherein there has been escalation of 50 to 60% in the cost of steel, Nickel, Copper and Coke.

In view of rise in energy cost and metal cost, our R&D department is always in the process of development of technology backed pump, to negate such increase.

## **Internal Control System**

The Company has adequate internal control procedures commensurate with its size and nature of businesses. The objective of these procedures are to ensure efficient use and protection of the Company's resources, accuracy in financial reports and due compliance of status and Company policies and procedure.