
ANNUAL

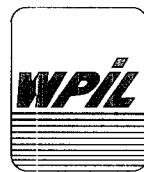
REPORT

AND

ACCOUNTS

2008

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WPIL Limited

FINANCIAL HIGHLIGHTS

(Rs. in Lac)

Particulars	2008	2007	2006	2005	2004
Financial Positions					
Share Capital	797	797	797	797	797
Reserves & Surplus (Net of Revaluation Reserve)	775	290	143	58	14
Net Worth	1572	1087	940	855	811
Gross Block	2760	2760	2471	2394	2400
Accumulated Depreciation	1560	1607	1526	1422	1376
Net Block	1200	1153	945	972	1024
Summary of Operations					
Total Income	11650	7009	7941	5429	4004
Profit before Interest, Depreciation & Tax	1166	678	502	457	483
Interest	334	287	293	281	329
Depreciation	78	99	102	112	113
Profit/(Loss) before Tax	754	292	107	64	41
Profit/(Loss) after Tax	495	148	52	64	41
Dividend	Nil	Nil	Nil	Nil	Nil
Earnings Per Share (Rs.)	6.22	1.85	0.66	0.81	0.51

WPIL LIMITED

DIRECTORS

P. AGARWAL
— *Managing Director*
K. K. GANERIWALA
— *Executive Director*
V. N. AGARWAL
SAMARENDRA NATH ROY
SHYAMAL MITRA
BINAYA KAPOOR

AUDITORS

V. SINGHI & ASSOCIATES
Chartered Accountants

GENERAL MANAGER (Finance) AND COMPANY SECRETARY

U. CHAKRAVARTY

BANKERS

STATE BANK OF BIKANER AND JAIPUR
CENTRAL BANK OF INDIA
ALLAHABAD 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 : mcsca@cal2.vsnl.net.in

REGISTERED OFFICE

TRINITY PLAZA, 3RD FLOOR
84/1A, TOPSIA ROAD (SOUTH)
KOLKATA-700 046

EASTERN REGION OFFICE

6, OLD POST OFFICE STREET
KOLKATA-700 001

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

CHAMBER 4, 1ST FLOOR
Opp. LB. STADIUM
K. L. K. ESTATE
5-9-62, FATEH MAIDAN ROAD
HYDERABAD-500 001

NORTHERN REGION OFFICE

A-5, SECTOR 22, MEERUT ROAD
GHAZIABAD-201 003 (U.P.)

MANUFACTURING FACILITIES

- i) 22, FERRY FUND ROAD, PANIHATI, SODEPUR
KOLKATA-700 114 (W.B.)
- ii) A-5, SECTOR 22, MEERUT ROAD
GHAZIABAD-201 003 (U.P.)
- iii) 180/176, UPEN BANERJEE ROAD
KOLKATA-700 060

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

NOTICE is hereby given that the FIFTY FOURTH ANNUAL GENERAL MEETING of the members of the Company will be held at "Kala Kunj" (Basement) Hall, Kalamandir, 48, Shakespeare Sarani, Kolkata-700 017 on Saturday, the 19th day of July, 2008 at 10:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. N. Roy who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shyamal Mitra who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To re-appoint M/s.V. Singhi & Associates, Chartered Accountants, as the Auditors of the Company, who retire at the conclusion of this Annual General Meeting, to hold office till the conclusion of the next Annual General Meeting with authority to the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act, or any amendment or re-enactment thereof, and subject to such other approval as may be necessary, the Company hereby accords its consent and approval to the appointment of Mr. K. K. Ganeriwala as Executive Director of the Company for a period of three years with effect from 1st November, 2007 on such terms and conditions and payment of remuneration and other perquisites/benefits to Mr. K. K. Ganeriwala during the said period of three years as recommended by Remuneration Committee of Directors and also set out in Explanatory Statement under this item annexed to the notice convening this meeting."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Act, the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorised to alter and vary the terms and conditions of appointment including remuneration, if necessary, in such manner as may be agreed to by and between the Board and Mr. K. K. Ganeriwala, within such prescribed limit(s) or ceiling and the agreement between the Company and the Executive Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting."

6. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act, or any amendment or re-enactment thereof, and subject to such other approval as may be necessary, the Company hereby accords its consent and approval to the re-appointment of Mr. P. Agarwal as Managing Director of the Company for a period of three years with effect from 1st July, 2008 on such terms and conditions and payment of remuneration and other perquisites/benefits to Mr. P. Agarwal during the said period of three years as recommended by Remuneration Committee of Directors and also set out in Explanatory Statement under this item annexed to the notice convening this meeting."

“RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Act, the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorised to alter and vary the terms and conditions of appointment including remuneration, if necessary, in such manner as may be agreed to by and between the Board and Mr. P. Agarwal, within such prescribed limit(s) or ceiling and the agreement between the Company and the Managing Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting.”

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

“RESOLVED THAT in supersession of the Resolution passed at the Annual General Meeting held on 25th September, 1997 and pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors for borrowing any sum or sums of money from time to time from any one or more of the Company’s bankers and /or from anyone or more other persons, firms, bodies corporate or financial institutions whether by way of advance or deposits, loans or bills discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company’s assets and properties whether movable or Stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress and all or any of the undertakings of the Company notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loan obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but so however that the total amount up to which the money may be borrowed by the Board of Directors and outstanding at any one time shall not exceed the sum of Rs. 75 Crores only exclusive of interest, and the Directors are further authorised to execute such deeds of debentures and debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts, and other deeds and instruments or writings as they may think fit and containing such conditions and covenants as the Directors may think fit.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in the absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in respect thereto.”

Registered Office :
Trinity Plaza, 3rd Floor
84/1A, Topsia Road (South)
Kolkata-700 046

Dated 15th May, 2008
Place: Kolkata

By Order of the Board

U. CHAKRAVARTY
General Manager (Finance)
and Company Secretary

WPIL**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxy in order to be effective must reach the Registered office of the Company at least 48 hours before the time fixed for the meeting.
2. The Register of Members and Share Transfer Books will remain closed from 10th July, 2008 to 19th July, 2008 (both days inclusive).
3. Mr. U. Chakravarty, General Manager (Finance) and Company Secretary is the Compliance officer in terms of Clause 12B of the Listing Agreements with the Stock Exchanges. Members may communicate with the Compliance Officer in relation to any query pertaining to their shareholdings.
4. As per the provisions of the Companies Act, 1956 the facility for making nominations is available to Members in respect of their shares in the Company. Nomination forms can be obtained from MCS Limited, Registrar and Share Transfer Agent of the Company, in case they hold shares in physical form. If they hold the shares in dematerialized form, they may contact their respective depositories for such nomination.
5. Members who holds the shares in physical form are requested to inform the R&T Agent, their Income Tax Permanent Account Number (PAN)/General Index Register Number (GIR) if any, allotted to them by the Income Tax authorities.
6. Members holding shares in physical form are requested to notify change in addresses, if any, quoting their folio numbers to the R&T Agent of the Company.
7. Members holding shares in multiple folios are requested to submit their application to R&T Agent for consolidation of folios into single folio.
8. Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of the above items of Special Business is annexed hereto.

Request to the Members:

1. Members desiring any relevant information on the Accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.
2. Members are requested to quote their Ledger Folio No. or Client ID and DP ID numbers in all communications with the Company.
3. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for ensuring easy identification of attendance at the Meeting.
5. For convenience of the Members, attendance slip is annexed to the Proxy form. Members are requested to fill in and affix their signatures at the space provided therein and handover the Attendance slip at the entrance of the place of meeting. Proxy/Representative of a member should mark on the Attendance slip as "Proxy" or "Representative" as the case may be.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

RESOLUTION AT ITEM NO. 5

The Board of Directors of your Company ("the Board") at its meeting held on 31st October, 2007 appointed Mr. K. K. Ganeriwala as Executive Director of the Company for a period of three years commencing from 1st November, 2007 subject to the approval of the Members to be obtained at this Annual General Meeting. Mr. K. K. Ganeriwala is a Cost Accountant and Company Secretary having extensive experience in area of Finance Accounts, general management and operational aspects of the Company. With the significant growth of operational activities of the Company, it has become necessary for the Company to avail the expertise of Mr. K. K. Ganeriwala on regular basis. The Board considers that the appointment of Mr. K. K. Ganeriwala as Executive Director of the Company would prove beneficial to the interest of the Company. The terms of appointment of Mr. Ganeriwala including the remuneration as approved by the Remuneration Committee and the Board, subject to the approval of the Members to be obtained at this Meeting are as follow :

1. **Period**

Three years commencing from 1st November, 2007.

2. **Remuneration**

Subject to overall limit laid down under Sections 198 and 309 of the Act, Mr. K. K. Ganeriwala shall be entitled to receive from Company following remuneration :

(a) Salary : Rs. 60,000/- per month

(b) Commission : At a rate of 0.5% of the profits of the Company subject to a ceiling of fifty percent of the Annual salary.

(c) Perquisites :

In addition to the above, Mr. Ganeriwala 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, benefits of Provident Fund, Gratuity Fund, Car and telephone etc. in accordance with the Rules of the Company. In case, no accommodation is provided by the Company to Mr. Ganeriwala, 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. Ganeriwala :

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 Sections 198 and 309 of the Act.

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.

3. **Termination**

This appointment may be terminated by any party herein, by giving to the other party, a six months notice in writing.

4. The Executive Director shall not be entitled to any sitting fees for attending the meetings of the Board of Directors/ committee of Directors and shall not be liable to retire by rotation.
5. The appointment of Mr. K. K. Ganeriwala as Executive Director and remuneration payable to him are in line with Schedule XIII to the Act subject to the approval of members to be obtained at this Annual General Meeting and to the extent any of the provisions herein are inconsistent or contrary to terms of such approval, the latter will prevail.
6. No Director of the Company except Mr. K. K. Ganeriwala is concerned or interested in the said Resolution.

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7. The Directors commend the Ordinary Resolution for the approval of the members.
8. A draft of the Agreement between the Company and Executive Director will be available for inspection by the members of the Company at its Registered Office on any working day prior to the date of the Meeting during the usual business hours and will also be available at the Meeting.
9. An Abstract of terms of appointment of Mr. Ganeriwala as Executive Director of the Company and Memorandum of Interest had been circulated to the Members in terms of Section 302 of the Act.

RESOLUTION AT ITEM NO. 6

Mr. P. Agarwal was re-appointed as the Managing Director of the Company for a period of three years with effect from 1st July, 2005 and his term of office expires on 30th June, 2008. Keeping in mind the significant contribution to the growth and performance of the Company by Mr. Agarwal during the present tenure, the Board of Directors of your Company at its meeting held on 15th May, 2008, approved the re-appointment of Mr. P. Agarwal as the Managing Director of the Company for a further period of three years with effect from 1st July, 2008. The terms of re-appointment including remuneration as approved by the Remuneration Committee and the Board subject to the approval of the Members to be obtained at this Meeting are as follows :

1. Period

Three years commencing from 1st July, 2008.

2. Remuneration

Subject to overall limit laid down under Sections 198 and 309 of the Act, Mr. P. Agarwal shall be entitled to receive from Company following remuneration :

- | | | |
|-----------------|---|---|
| (a) Salary | : | Rs. 1,00,000/- per month |
| (b) Commission | : | At a rate of 1% of the profits of the Company subject to a ceiling of fifty percent of the Annual salary. |
| (c) 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, benefits of Provident Fund, Gratuity Fund, Car and telephone etc. in accordance with the Rules of 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 other than benefits of Provident Fund, Gratuity Fund, and Leave encashment, shall be restricted to the annual salary of Mr. P. Agarwal :

Provided that the total remuneration payable to him by way of salary, commission, perquisites, contributions towards Provident Funds and Gratuity Fund on his account shall not exceed 5% of the net profits of the Company calculated in accordance with Sections 198 and 309 of the Act.

Notwithstanding anything contained hereinabove, where in any financial year during the currency of the tenure of Mr. Agarwal, the Company has no profits or profits of the Company are inadequate or in the event of loss, the Company will pay remuneration to Mr. Agarwal by way of salary, allowances, benefits, perquisites etc., as specified above as minimum remuneration.

3. Termination

This re-appointment may be terminated by any party herein, by giving to the other party, a six months notice in writing.

4. The Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board of Directors/ committee of Directors and shall not be liable to retire by rotation.

5. The appointment of Mr. P. Agarwal as Managing Director and remuneration payable to him are in line with Schedule XIII to the Act subject to the approval of members to be obtained at this Annual General Meeting and to the extent any of the provisions herein are inconsistent or contrary to terms of such approval, the latter will prevail.
6. As required under the Act, the following further particulars pertaining to the Company and the appointee are set out herein.

I. General Information

(a) Nature of Industry

The Company is engaged in the business of water handling – from supply of pumps to turnkey project execution. This includes supply of pumps of various types to the power sector/irrigation sector/water supply sector and industrial sector. Besides these the Company provides turnkey execution for water handling projects in all the above sectors by leveraging its tremendous engineering capability and vast experience in the above fields.

(b) Date or expected date of commencement of commercial production

The Company commenced business on 26th February, 1952.

(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable.

(d) Financial performance based on the given indicators

Performance over the last three financial years is set out as under :

	(Rs. in Lacs)		
	2006-07	2005-06	2004-05
Gross Turnover (Including Excise Duty)	6963.12	7917.51	5355.69
Profit for the year before Tax	291.57	107.15	64.44
Extraordinary Income (Charges)	—	—	51.53
Provision for Taxation (Deferred Tax)	143.80	54.67	—
Withdrawal of provision of deferred Tax being no longer required	—	—	—
Profit after Taxation	147.77	52.48	64.44
Balance brought forward from the previous year	(119.00)	(171.48)	(235.92)
Balance at the end of the year	28.77	(119.00)	(171.48)
Less: Adjusted with General Reserve	—	(119.00)	(171.48)
Debit balance of Profit & Loss Account	—	—	—
Equity Share Capital	796.41	796.41	796.41
Reserves & Surplus	356.74	211.07	128.18
Fixed Assets	1187.63	963.71	971.71
Investments	0.96	0.96	4.15
Net Current Assets	2199.65	2138.04	2258.38

(e) Export Performance

Export earning on FOB basis	1148.04	740.88	513.42
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(f) Foreign Investments or collaborators if any

The Company has neither any foreign investment nor any foreign collaborator.

WPIL**II. Information about the Appointee****(a) Background details**

Mr. Agarwal is a graduate in Mechanical Engineering and has wide experience in Marketing, Management and Operations of the Engineering Industry. His areas of expertise are new product and business development, Radical performance improvement, Business Transformation, International marketing, Sound negotiating skills, Foreign collaborations and JVs, Setting up new operations, high performance team building, and cost optimizations etc.

(b) Past remuneration

Mr. P. Agarwal was re-appointed as the Managing Director of the Company for a period of three years with effect from 1st July, 2005. The remuneration drawn by him during the financial year ended 31st March, 2008, has been mentioned in the Report of Board of Directors on Corporate Governance.

(c) Recognition or awards

None.

(d) Job profile and his suitability

Subject to the superintendence, control and direction of the Board, Mr. Agarwal will manage and superintend the business affairs and properties of the Company and do all such lawful acts and things in relation to such management and superintendence as he shall think fit and reasonable.

He has a very rich experience in manufacturing and business restructuring. Mr. Agarwal prior to his appointment as Managing Director of the Company on 1st July, 2002 was also associated as Non-Executive Director for a period of two years and is fully conversant with business operation of the Company.

(e) Remuneration proposed

As mentioned in foregoing pages.

(f) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of origin)

The remuneration structure of Mr. Agarwal is not higher than what is drawn by his peers in comparable companies.

(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mr. Agarwal being a promoter Managing Director will not be entitled to remuneration under any other head. No relative of Mr. Agarwal is employed by the Company.

III. Other Information**(a) Reasons of loss or inadequate profits**

The Company had been passing through a difficult phase during last few years. Raw material prices had gone up drastically while the selling prices of finished goods remain static or, in some cases had gone down due to severe competitive pressure. Further, certain amounts of unrecoverable dues and claims for liquidated damages provided in the books of account which had aggravated the loss of those years.

(b) Steps taken or proposed to be taken for improvement

The Company over last three years had initiated series of measures comprising productivity improvement and aggressive market share acquisition. Major efforts were undertaken to give full thrust on existing products and also to expand product range within existing business. Stringent control and timely delivery have ensured customers' satisfaction. The cumulative effects of all these factors have brought about remarkable growth in the market share,