

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
STATE BANK OF INDIA
IDBI BANK LIMITED
YES BANK LIMITED
CENTRAL BANK OF INDIA
ALLAHABAD BANK
CITI BANK NA
AXIS BANK

REGISTRAR

MCS SHARE TRANSFER AGENT LIMITED
12/1/5, MANOHARPUKUR ROAD, GROUND FLOOR,
KOLKATA-700026
PHONE NO. : (033) 4072-4051-53
FAX NO. : (033) 4072-4050
E-MAIL : mcssta@rediffmail.com

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
- iv) BIREN ROY ROAD (WEST)
GANIPUR, MAHESHTALA
24 PARGANAS (SOUTH)
PIN-743 352

WPIL

WPIL Limited

NOTICE OF THE ANNUAL GENERAL MEETING TO THE MEMBERS

NOTICE is hereby given that the **FIFTY NINTH ANNUAL GENERAL MEETING** of the members of the Company will be held at “Kala Kunj” (Basement) Hall, Kalamandir, 48, Shakespeare Sarani, Kolkata-700017 on Thursday, the 25th day of July, 2013 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, 2013, 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 declare Dividend.
3. To appoint a Director in place of Mr. V.N.Agarwal who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Binaya Kapoor who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
5. 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 :

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

“RESOLVED THAT pursuant to provisions of Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent and approval to pay remuneration to the Non-Executive Directors of the company by the way of commission not exceeding 1% of the Net Profit of the Company in lieu of their services to the Company and that Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any committee which the Board may constitute to exercise its powers including powers conferred by this resolution) shall in their absolute discretion, decide the extent to which such remuneration is payable to each of the Non-Executive Directors based on their individual services to the Company within the ceiling limit of 1% of the net profit of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate its powers conferred by this resolution to any Director or Directors or Remuneration Committee of Directors to determine the extent to which such remuneration is payable to each of the Non-Executive Directors based on their individual services to the Company.”

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

Date : 13th May, 2013
Place : Kolkata

By Order of the Board

U. CHAKRAVARTY
General Manager (Finance)
and Company Secretary

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 Dividend, if approved at the forthcoming Annual General Meeting, will be paid to those shareholders, whose name are registered at the close of business on 25th July, 2013 or to their mandates subject however to the provisions of Section 206A of the Companies Act, 1956.
3. The Register of Members and Share Transfer Books will remain closed from Monday, 15th July, 2013 to Thursday, 25th July, 2013 (both days inclusive) for payment of dividend to Equity Shares. In respect of shares held in electronic form, dividend will be paid on the basis of beneficial ownership as per details furnished by depositories for this purpose.
4. Mr. U. Chakravarty, General Manager (Finance) and Company Secretary is the Compliance officer in terms of Clause 12B of the Listing Agreement with the Stock Exchanges. Members may communicate with the Compliance Officer in relation to any query pertaining to their shareholdings.
5. 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 Share Transfer Agent 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.
6. Members who hold the shares in physical form are requested to inform the R&T Agents, their Income Tax permanent Account Number (PAN)/General Index Register Number (GIR) if any, allotted to them by the Income Tax authorities.
7. 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.
8. Members holding shares in multiple folios are requested to submit their application to R&T Agent for consolidation of folios into single folio.
9. Members holding shares in physical form are requested to note that in order to avoid any loss/interception in postal transit and also to get prompt credit of dividend through Electronic Clearing Services (ECS) they should submit their ECS details. Alternatively, members may provide details of their bank account quoting their folio numbers to the R& T Agent to enable them to print such details on the dividend warrants.
10. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on the dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details. Further instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Members therefore give instructions regarding bank accounts in which they wish to receive dividend, to their Depository participants.

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. 6

The Non-Executive Directors of the Company are required to render services to the Company from time to time, which are beneficial to the performance of the Company. With the growth of activities of the company, it is important for the Company to utilize the expertise of the Non-Executive Directors as and when required. It is therefore proposed to pay remuneration to the Non-Executive Directors, in lieu of their services to the Company, by the way of commission not exceeding 1% of the net profit of the Company.

The Directors commend the Special Resolution for the approval of the members.

All the Directors except Mr. Prakash Agarwal and Mr. K.K. Ganeriwala are interested or concerned in the said Resolution.

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Date : 13th May, 2013
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By Order of the Board

U. CHAKRAVARTY
General Manager (Finance)
and Company Secretary

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting in pursuance of Clause 49VI(A)(G) of the listing Agreement:

Name of the Director	Mr. V. N. Agarwal	Mr. Binaya Kapoor
Date of Birth	15.01.1939	05. 07. 1935
Date of First Appointment	26. 04. 2001	21. 07. 2006
Qualifications	B.E.	B. Tech. (Hons)
No. of Shares Held	NIL	NIL
Nature of Expertise	Having in depth exposure to and involvement in steering diverse business and has considerable experience and expertise in management of engineering Industries.	Having vast experience in Corporate Management and administration with expertise in the field of engineering and product line of the Company.
Other Directorships	Tea time Limited Neptune Exports Limited Orient international Limited Asutosh Enterprises Limited V.N.Enterprises Limited HSM Investments Limited Sagarpriya Distributors Pvt. Limited Hindusthan Udyog Limited Bengal Steel Industries Limited Spaans Babcock India Limited Northern Projects Limited Hindusthan Parsons Limited. Mody Industries (FC) Pvt. Ltd. WPIL International Pte. Limited (Singapore)	Hindusthan Udyog Limited. Spaans Babcock India Limited

WPIL

DIRECTORS' REPORT TO THE MEMBERS

The Directors of the Company have the pleasure in presenting their 59th Annual Report on the business and operations of the Company for the financial year ended 31st March 2013.

FINANCIAL HIGHLIGHTS (STANDALONE)

	2012-13 (Rs. in Lacs)	2011-12 (Rs. in Lacs)
Total Income	26946.00	30302.63
Profit before interest, Depreciation and Taxation	3901.26	3949.95
Interest	977.64	788.66
Depreciation	204.56	197.49
Profit before Taxation	2719.06	2963.80
Provision for Taxation	844.06	979.06
Profit after Taxation	1875.00	1984.74
Balance brought from previous year	2396.86	2097.31
Profit available for appropriation	4271.86	4082.05
Transfer to General Reserve	1562.85	1500.00
Proposed Dividend with Tax on Dividend	186.42	185.19
Balance available in surplus account in Balance sheet	2522.59	2396.86

OPERATIONS

The operational activities of the Company continues to be consistent and balanced during the year under review amidst slow economic activities and down trend of domestic business environment. The turnover registered marginal drop compared to last year due to conscientious monitoring and withholding of dispatch to certain customers for delay in execution and clearing dues following liquidity tightness. The major focus is to build up new business domestically and internationally and thereby increase inherent strength within the sphere of its traditional area of business in manufacturing pumps and spares and providing pumping system to its domain markets of power, irrigation, municipal and Industries. The recent acquisition of Mody Pumps will allow the Company to have an access in the field of dewatering sewage submersible which will further strengthen its product offering in the market place. With its ever increasing capabilities, including strong track record, cutting-edge technologies, world class partner and tremendous domain expertise, the Company is very well positioned today to manufacture and offer large pumps with superior technologies that meets the global standard. Further with the acquisition of technology from globally reputed Company, strong order book, and increased availability of infrastructural resources, the Company stands committed to lay emphasis to enhance its market shares and further strengthen its offerings on conscious monitoring on both quality and cost front.

The decline in profit over the last year is primarily attributable to the drop in turnover due to deterioration of domestic business environment for capital goods combined with credit crisis which necessitated imposition of restriction on supplies and increase in other items of cost.

DIVIDEND

After considering the performance for the year, cash flow, erosion of General Reserve for the performance of the past and necessity to augment its working capital to sustain the growth of activities in the coming year, the Directors of the Company are pleased to recommend dividend of two rupees per share for the year ended 31st March 2013.

The Dividend, if approved at the forthcoming Annual General Meeting, will be paid to those shareholders whose names are registered at the close of the business on 25th July 2013 or to their mandates subject however, to the provisions of Section 206A of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by the Clause 49 of the Listing Agreement with Stock Exchanges, the Management discussion and analysis report during the year under review is appended below:-

A. BUSINESS

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 this, 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. BUSINESS ENVIRONMENT

Year 2012-13 was another difficult year wherein the business environment globally deteriorated even further and in India the effect has been even more pronounced. The Indian GDP growth rate is now below 5% and there is great pressure on the Indian economy because of this lack of growth, depreciating currency and uncontrolled inflation. Due to the above scenario interest rates remain high and there is uncertainty in the business climate as a result of which we find that Industrial investments have nearly stopped. The power sector continues to struggle with its fuel supply issues and a large number of projects lie closed at various stages of completion. Similarly, with the falling GDP, Government projects in both Municipal and Irrigation sectors have been slow. In this uncertain environment the Company re-focused its business to focus on exports and judiciously approached domestic sales to protect margin and recover dues. The Company's strength and product superiority allowed it to wither the situation and achieve good results with a marginal fall in revenue and profit. Further, the focus on its International business yielded good results and allowed the Company to achieve sales of Rs.534 Crores on a consolidated basis. The Company aims to continue its focus on export and development of its International business to protect it from the vagaries of the domestic market.

C. OPERATIONAL REVIEW

Performance of the Company was balanced across all divisions with good growth in exports. The order book remained robust and balanced across all product segments and further the Company intends to evenly spread its sales across the business segments of power, irrigation, municipal, industry etc., to de-risk the business. Some of the notable achievements have been successful commissioning of WPIL 's first concrete volute pumps at NTPC Barh, successful commissioning of WPIL CW pumps at Reliance Sasan Project (6 x 660 MW) (one of the largest pumps in India), successful commissioning of Avanta project's complete CW system including pumphouse, pipelines, and successful commissioning of MPGCL Satpura project's complete CW system. These achievements are bound to keep the Company in good stead in the future.

Engineered Pump Division

This division achieved good success with the commissioning of the above mentioned large projects creating good future opportunities for growth. The division continues to have a strong order book and good revenue visibility going forward. Further, the new facility at Nagpur is in advance stage of completion. The pump manufacturing facility will be commissioned by September, 2013 and work has started on a large test facility. The completion of this facility would further supplement the manufacturing capability of the division allowing it to continue its growth.

Standard Pump Division

This division again achieved huge growth in revenue while dispatching large number of critical pump supplies for various

power plants and offshore applications. The division continues to enhance its capabilities and is slowly beginning to dominate the market in its product range. The order book remains strong allowing consistent growth in revenue and profit. The foundry modification at the division has been complete with the addition of new furnaces which will allow reduction in pollution level by 80% whilst drastically improving quality standards.

Infrastructure Division

The focus of the division was to complete and commission the projects in hand and this was successfully executed as a large number of projects were completed and handed over. Most of the other projects are commissioned and in the process of handing over. This focus on project completion will allow the division to recover its retention money and provide customer satisfaction while building credibility in the industry. It has indeed been an achievement to complete and deliver a plethora of water handling projects across the sectors. This has built up good competencies in various areas.

The major achievement for the division was the booking of large water handling project at Malawi alongwith its international subsidiary and a major lift irrigation project in Andhra Pradesh. These orders alongwith others provide revenue visibility going forward and are in line with the continued focus of doing large projects at fewer sites. The outlook for the division remains very positive.

WPIL International

The focus on the International business of the Company has proved successful with the growth in business and enhancement of opportunities across the globe. The various subsidiaries continue to do well and in line with expectations. The major acquisition in the financial year was WPIL South Africa and its business of APE Pumps, Mather & Platt and PSV Zambia. This acquisition allows WPIL to establish strong presence in the African continent which is rapidly growing providing major prospects for the water industry.

The acquisition of the South African business is a major achievement by WPIL as it opens up the opportunities in Africa and Middle East. The business has various divisions which are well positioned in projects, large engineered pumps and standard pumps to supplement WPIL's existing business. APE Pumps, Mather & Platt, South Africa alongwith its Zambian subsidiary are well established in Africa for more than 50 years, having good acceptance of its products and services across the continent. This acceptability complimented by WPIL's product range and manufacturing capability should make this business a major player in the African pump business.

Mathers Foundry had an average performance in line with the expectations and achieved major cost cutting advantages by setting up AOD furnace. The business is at the forefront in technology as a supplier of high end castings to the nuclear and oil & gas sectors and remains the foundry of choice for its growing clientele. We expect the business to grow well as the market grows.

Sterling pumps had a good financial year and continues to grow its business and expand its presence across Australia and Asia Pacific. The Company is expanding its facility and setting up new test capabilities to cater the business growth. The Company expects its growth to continue in the coming year.

The joint venture of WPIL Thailand is now fully established and has drastically grown its sales in the first 6 months of the year and expects the momentum to continue going forward. The major focus remains the industrial, irrigation and municipal sectors where the Company's products are achieving greater penetration regularly which should result in enhanced market share going forward.

Indian Subsidiary

WPIL acquired Mody Industries (F.C.) Pvt. Ltd., last year to supplement its presence in the sewage and drainage sector. This business based out of Thane is a strong player in the sewage and drainage sector and commands a premium position in the market. Again, WPIL feels that supplementing Mody's products with WPIL product range and

distribution network should allow the business to become the market leader in its segment. Further this positions WPIL well in this growing market segment.

D. FUTURE OUTLOOK

The Company being one of the leaders in the pump industry foresees good growth in both domestic and international operations and continues to strengthen its business by diversifying across geographies and product categories to both de-risk and grow business. All divisions are well equipped to deal with their growing order book and provide good quality and delivery of products to continue enhanced market share. The Company feels it has achieved a good balance by developing its international business and the acquisition of Mody. These two areas of the business should enhance margin and profit suitably going forward. WPIL looks to cement its position in the various geographies and market going forward.

E. OPPORTUNITIES AND THREAT, RISK AND CONCERNS

WPIL has strengthened itself with necessary manufacturing infrastructure and financial health to be a very strong Company in its sector. Its products have a technical edge in the market and are the preferred choice of its customers. Along with this its support services and team of competent, qualified and experienced personnel command great respect in the market place. A combination of such strong qualities should help to maintain its growth in the recent past.

The biggest concern are the volatile raw material prices and impact of surging inflation on the other item of inputs. The increase in commodity prices combined with uncertain availability threaten to affect despatches and profitability.

Further, establishment of international business and acquisition of Mody should enhance the margin, improve opportunities and de-risk the business in turbulent times. The biggest concern presently is the domestic industrial environment alongwith credit worthiness of large clients. These factors have a threatening effect on dispatch and profitability.

F. INTERNAL CONTROL SYSTEM

The Company has a well-structured Internal Control Mechanism and the same is monitored by the Internal Audit conducted by external professional audit firm, which independently reviews and strengthens the control measures. The internal audit teams regularly briefs the management and the Audit Committee on their findings and also recommend the steps to be taken with regard to deviations if any.

G. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company lays significant importance for all round developments of its Human Resources with special emphasis to train the employees at all levels to enhance their effectiveness in their contribution to the overall performance of the Company through skill up-gradation, knowledge improvement and attitudinal change. These enable the employees at all levels to cope with the competitive environment through which the Company is passing at present and to achieve the desired corporate objective.

The industrial relations climate in the Company continued to remain harmonious and cordial. The Company has a vibrant atmosphere and able to face challenges of economic downturn with fortitude. Various welfare measures and recreational activities are also being continued side-by side of production to maintain such relations.

The Company had 432 employees on the roll at the end of the year under review as against 430 last year.

CORPORATE GOVERNANCE

The Company has always followed the principles of good Corporate Government through attaining a highest level of transparency, professionalism, accountability and integrity in its functioning and conduct of business with due respect to laws and regulations of the land.

Necessary measures have been adopted to comply with the requirements of the Listing Agreement with Stock Exchanges wherein the Company's shares are listed. A separate report on Corporate Governance adopted by the Company, which is given in Annexure- B, forms part of this report.

A certificate from the Auditors of the Company regarding the compliance of the conditions of Corporate Governance is attached to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the requirements of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that;

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments 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;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance of the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the Annual Accounts on going concern basis; and
- (v) Both, the Managing Director and Executive Director have furnished the necessary certifications to the Board on these financial statements as required under the Clause 49 of the Listing Agreement(s) with the Stock Exchanges where the equity shares of the Company are listed.

DIRECTORS

In accordance with the provisions of the Company's Article of Association Mr. V.N.Agarwal and Mr. Binaya Kapoor retire by rotation and, being eligible, offer themselves for re-appointment.

AUDITORS

Messers. V.Singhi & Associates, Chartered Accountants retire as Statutory Auditors at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Audit Committee of Directors recommended the re-appointment of Messers. V.Singhi & Associates, Chartered Accountants as Statutory Auditors to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting. Messers. V.Singhi & Associates, Chartered Accountants confirmed their eligibility and willingness to continue to act as Statutory Auditors of the Company for the financial year 2013-14, if re-appointed.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

Information under section 217(1)(e) of the Companies Act, 1956, read with the Companies(Disclosures of particulars in the report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo so far as is applicable to the company are furnished in Annexure-A which forms a part of this Report.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Acts, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not being furnished since there was no employee during the year who was in the receipt of remuneration exceeding the prescribed limit.