

## Wires and Fabriks (S.A.) Limited

(CIN: L29265WB1957PLC023379)

Regd. Office: 7 Chittaranjan Avenue, Kolkata -700 072

Website: [www.wirefabrik.com](http://www.wirefabrik.com), E-Mail: [ig@cal.wirefabrik.com](mailto:ig@cal.wirefabrik.com)

Ph. (033) 4012-4012, Fax: (033) 2237-2712

### Notice

#### of the 57<sup>th</sup> Annual General Meeting - 2014

NOTICE is hereby given that the 57<sup>th</sup> Annual General Meeting of the Members of the Company will be held at Seminar Hall, Science City, JBS Halden Avenue, Kolkata - 700 046 on Wednesday, the 13<sup>th</sup> day of August, 2014 at 12.00 Noon to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2014 together with Directors' Report and Auditors' Report thereon.
2. To declare dividend on the equity shares for the year ended 31<sup>st</sup> March, 2014.
3. To appoint a Director in place of Mr. Satish Ajmera (DIN 00208919), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. D. Trivedi (DIN 00380306), who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

#### Special Business:

**To consider and if thought fit, to pass with or without modifications the following Resolutions as Ordinary Resolutions:-**

##### Item No. 6

"Resolved that Shri Vinod Kumar Ladia (DIN 00168257), who has been appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 161 of the Companies Act, 2013 (Section 260 of the Companies Act, 1956) up to the date of this Annual General Meeting and in respect of whom, the Company has, pursuant to Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), received a Notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

##### Item No. 7

"Resolved that Shri Subrata Kumar Mitra (DIN 00029961), who has been appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 161 of the Companies Act, 2013 (Section 260 of the Companies

Act, 1956) up to the date of this Annual General Meeting and in respect of whom, the Company has, pursuant to Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), received a Notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

**To consider and if thought fit, to pass with or without modifications the following Resolutions as Special Resolutions:-**

##### Item No. 8

"RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956), including any statutory modification or re-enactment thereof for the time being in force, and all guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to the approval of the Central Government, if applicable and also subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the remuneration of Mr. Basant Kumar Khaitan (DIN 00459514), Managing Director of the Company for the remaining tenure of two years of his current appointment from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March, 2017 as set out in the Explanatory Statement to this Resolution and also contained in the draft supplementary agreement to be executed between the Company and Mr. Basant Kumar Khaitan (DIN 00459514), submitted to this meeting. The said supplementary agreement be and is hereby specifically approved and sanctioned with the liberty to the Board of Directors to alter and vary all/any terms and conditions of the remuneration and/or agreement subject to the same not exceeding the limits sanctioned by the Central Government, if applicable, in such manner as the Board may deem fit and agreed to by Mr. Basant Kumar Khaitan (DIN 00459514)."

"RESOLVED FURTHER that where in any financial year, the Company has no profits or its profits are inadequate, the said remuneration shall be paid as minimum remuneration subject to the approval of the Central Government, if applicable and such other approvals as may be required with effect from 1<sup>st</sup> April, 2015 till the completion of the tenure i.e. 31<sup>st</sup> March, 2017."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may

be considered necessary, appropriate, expedite or desirable to give effect to the aforesaid resolutions.”

**Item No. 9**

“RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956), including any statutory modification or re-enactment thereof for the time being in force, and all guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to the approval of the Central Government, if applicable and also subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the remuneration of Mr. Kishan Kumar Khaitan (DIN 00514864), Managing Director of the Company for the remaining tenure of two years of his current appointment from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March, 2017 as set out in the Explanatory Statement to this Resolution and also contained in the draft supplementary agreement to be executed between the Company and Mr. Kishan Kumar Khaitan (DIN 00514864), submitted to this meeting. The said supplementary agreement be and is hereby specifically approved and sanctioned with the liberty to the Board of Directors to alter and vary all/any terms and conditions of the remuneration and/or agreement subject to the same not exceeding the limits sanctioned by the Central Government, if applicable, in such manner as the Board may deem fit and agreed to by Mr. Kishan Kumar Khaitan (DIN 00514864).”

“RESOLVED FURTHER that where in any financial year, the Company has no profits or its profits are inadequate, the said remuneration shall be paid as minimum remuneration subject to the approval of the Central Government, if applicable, and such other approvals as may be required with effect from 1<sup>st</sup> April, 2015 till the completion of the tenure i.e. 31<sup>st</sup> March, 2017.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be considered necessary, appropriate, expedite or desirable to give effect to the aforesaid resolutions.”

**Item No. 10**

“RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956), including any statutory modification or re-enactment thereof for the time being in force, and all guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to the approval of the Central Government, if applicable and also subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the remuneration of Mr. Mahendra Kumar Khaitan (DIN 00459612),

Joint Managing Director of the Company for the remaining tenure of two years of his current appointment from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March, 2017 as set out in the Explanatory Statement to this Resolution and also contained in the draft supplementary agreement to be executed between the Company and Mr. Mahendra Kumar Khaitan (DIN 00459612), submitted to this meeting. The said supplementary agreement be and is hereby specifically approved and sanctioned with the liberty to the Board of Directors to alter and vary all/any terms and conditions of the remuneration and/or agreement subject to the same not exceeding the limits sanctioned by the Central Government, if applicable, in such manner as the Board may deem fit and agreed to by Mr. Mahendra Kumar Khaitan (DIN 00459612).”

“RESOLVED FURTHER that where in any financial year, the Company has no profits or its profits are inadequate, the said remuneration shall be paid as minimum remuneration subject to the approval of the Central Government, if applicable, and such other approvals as may be required with effect from 1<sup>st</sup> April, 2015 till the completion of the tenure i.e. 31<sup>st</sup> March, 2017.”

“RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be considered necessary, appropriate, expedite or desirable to give effect to the aforesaid resolutions.”

**Item No. 11**

“Resolved that Mr. Devesh Khaitan (DIN 00820595), who has been appointed as an Additional Director of the Company by the Board of Directors and who holds office as per Section 161 of the Companies Act, 2013 (Section 260 of the Companies Act, 1956) up to the date of this Annual General Meeting and in respect of whom, the Company has, pursuant to Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), received a Notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

“RESOLVED FURTHER that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (Section 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956), including any statutory modification or re-enactment thereof for the time being in force, and all guidelines for Managerial Remuneration issued by the Central Government from time to time and subject to the approval of the Central Government, if applicable and also subject to such other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mr. Devesh Khaitan (DIN 00820595) as a Executive Director of the Company for a period from 1<sup>st</sup> July, 2014 to 31<sup>st</sup> March, 2017 and payment of remuneration to Mr. Devesh Khaitan (DIN 00820595) for the said period from 1<sup>st</sup>

July, 2014 to 31st March, 2017 as set out in the Explanatory Statement to this Resolution and also contained in the draft supplementary agreement to be executed between the Company and Mr. Devesh Khaitan (DIN 00820595), submitted to this meeting. The said agreement be and is hereby specifically approved and sanctioned with the liberty to the Board of Directors to alter and vary all/any terms and conditions of the remuneration and/or agreement subject to the same not exceeding the limits sanctioned by the Central Government, if applicable, in such manner as the Board may deem fit and agreed to by Mr. Devesh Khaitan (DIN 00820595)."

"RESOLVED FURTHER that where in any financial year, the Company has no profits or its profits are inadequate, the said remuneration shall be paid as minimum remuneration subject to the approval of the Central Government, if applicable and such other approvals as may be required with effect from 1<sup>st</sup> July, 2014 till the completion of the tenure i.e. 31<sup>st</sup> March, 2017."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be considered necessary, appropriate, expedite or desirable to give effect to the aforesaid resolutions."

#### **Item No. 12**

"RESOLVED that in suppression of the resolution adopted at the 37<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 1994 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from the temporary loans obtained / to be obtained from the Company's Bankers in the Ordinary course of business, shall not be in excess of Rs. 200 crores (Rupees Two Hundred Crores) over and above the aggregate of the paid up share Capital and free reserves of the Company."

"RESOLVED FURTHER that for the purpose of giving effect to the aforesaid resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, document writing, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval hereto expressly by the authority of this resolution."

"RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors, or managing director, or any

whole time director, or director or any other officer or officers of the Company to give effect to the aforesaid resolutions."

#### **Item No. 13**

"RESOLVED that in suppression of the resolution adopted at the Extra Ordinary General Meeting held on 22<sup>nd</sup> April, 2002 and pursuant to Section 181 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to contribute and/or donate, from time to time, to any National, Charitable, Benevolent and other funds/trusts, whether or not directly relating to the business of the Company or welfare of its employees, upto a sum of Rs. 5 Crores (Rupees Five Crores only) in any Financial Year, as may be considered appropriate by the Board of Directors, notwithstanding that such amounts in any Financial year exceed 5% of the Company's Average Net profit as determined in accordance with the provisions of the Companies Act, 2013 during the three immediately preceding Financial Years.."

"RESOLVED FURTHER that for the purpose of giving effect to the aforesaid resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, document writing, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval hereto expressly by the authority of this resolution."

"RESOLVED FURTHER that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors, or managing director, or any whole time director, or director or any other officer or officers of the Company to give effect to the aforesaid resolutions."

#### **NOTES:**

- A. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself and a proxy need not be a member of the Company. The proxy in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
- B. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- C. The Register of Members and Share Transfer Books of the Company shall remain closed from **Wednesday, the 6<sup>th</sup> day of August, 2014 to Wednesday the 13<sup>th</sup> day of**

**August, 2014 (both days inclusive)**, for the purpose of payment of dividend for the financial year ended 31<sup>st</sup> March, 2014. The dividend, if approved and declared at the forthcoming Annual General Meeting, will be paid, in case of physical shareholding to those Members whose name appear in the Register of Members of the Company as on 13<sup>th</sup> day of August, 2014 and in case of dematerialised shares to those Beneficiaries appearing at the close of 6<sup>th</sup> day of August, 2014, in the records of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and furnished for this purpose, subject to the provisions of section 123 of the Companies Act, 2013 (206A of the Companies Act, 1956).

- D. Shareholders who have so far neither received nor encashed dividend warrants for any of the financial years ended 31<sup>st</sup> March, 2007 and thereafter, may claim or approach the Company for payment.** Pursuant to provisions of Section 124 of the Companies Act, 2013 (Section 205A of the Companies Act, 1956), as amended, dividend for the financial year 2006-2007 and thereafter, which remains unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred to Investor Education and Protection Fund (IEPF) of the Central Government. ***All unpaid/unclaimed dividends for the financial years up to 2005-2006 have been transferred to the IEPF set up by the Central Government. It may be noted that once the unpaid/unclaimed dividend is transferred to the IEPF of the Central Government as above, no claim with the Company or the IEPF will lie in respect thereof.***

- E.** As required by Clause 49 of the Listing Agreement, the information relating to Directors who are proposed to be re-appointed are given in following order: Name of the Director, Age, Date of Appointment, Educational Qualification, Brief Profile and Area of Expertise, Other Directorships, Committee Memberships and Shareholding.

**Mr. S. Ajmera**, 70 Years, 29.11.2001, Chartered Accountant having 44 years of diversified Audit Experience in Government, Semi Government and Private Organizations including Banks, Industry and Trade in all fields. He has been (i) Trustee, Unit Trust of India, Bombay for eight years (The first mutual fund of India). (ii) On the North Zone Board of I.D.B.I for 3 years. He had been nominee Director of Gujarat Alkalies & Chemicals Ltd (as a nominee of IFCI), Gujarat State Investments Ltd. (as a nominee of Gujarat Govt.), Hindustan Organic Chemicals Ltd. (one of the largest chemical companies in India, as a nominee of Government of India). Further he had been on the Board

of Rajasthan Financial Corporation Board for 16 years, Sunflag Iron & Steel Industries Ltd., Gujarat Heavy Chemical Ltd., Modi Rubber Ltd., JCT Ltd., Rajasthan State Ind & Inv Corp Ltd., Lupin Laboratories Ltd., Aristocrat Luggage Ltd., Jayant Paper Mills Ltd., Modern Syntex Ltd., Allwyn Nissan Ltd., Canfin Homes Limited and many other companies. Presently he is a Director in PCS Technology Ltd., The Lakshmi Mills Company Ltd., S.Ajmera Finance (P) Ltd., SRP Infosystem (P) Ltd. and A & A Mines and Minerals (P) Ltd. He has been the consultant to Government of Rajasthan and Government of Gujarat in many corporate matters. He is the senior partner of the Auditing Firm B.L. Ajmera & Co., Jaipur. He is also a former president of Jaipur Chamber of Commerce & Industry. He is the Chairman of the Audit Committee in The Lakshmi Mills Co. Ltd. and PCS Technology Ltd. He is also the Chairman of the Audit Committee and a Member of the Nomination & Remuneration Committee of the Company. He is holding 150 Equity Shares of the Company.

**Mr. D.D. Trivedi** 82 Years, 01.12.84, M.Com/B.A. Hons, Mr. Trivedi is a Management Consultant & was a visiting faculty with IIM, Ahmedabad. Currently he is working as distinguished visiting faculty at Entrepreneurship Development Institute of India. He is also a visiting faculty at various other Institutes. He is also Director in Foods & Inns Ltd., Asim Exports Ltd., Cyclic Chemical Ltd. and Dravya Finance Ltd. He is a member of the Audit Committee and Shareholders Grievance Committee in Foods and Inns Ltd and is also a member of the Audit Committee of the Company. He holds 1000 Equity Shares of the Company.

- F.** As per the provisions of the Companies Act, 2013, the facility for making nominations is available to the shareholders in respect of the equity shares held by them. Members holding shares in physical form may send their request in duly filled and signed prescribed Form 2B at Company's Registered Office address. This facility is made available folio wise to individual shareholders including joint holders and for the entire shares registered under the folio. Members holding shares in dematerialised form may contact and consult their respective depository participants (DP) for availing the nomination facility.
- G.** In the case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- H.** Members are requested to intimate to the Company their Queries, if any, regarding accounts at least seven days before the Meeting to enable the management to keep the required information ready at the Meeting.



- I. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the company on all working days during business hours up to the date of the Meeting.
- J. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agent, M/s ABS Consultant Private Limited, 99 Stephen House, 6<sup>th</sup> Floor, 4 B.B.D. Bag (E), Kolkata 700 001.
- K. Since the Equity Shares of the company are under compulsory demat trading, shareholders are requested to get their physical shareholdings converted into DEMAT form. Equity Shares of the company are admitted with NSDL and CDSL, both the Depositories and bearing ISIN No. INE469D01013. All the queries related to this may please be forwarded directly to the Company's Registrar.
- L. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with M/s. ABS Consultants Private Limited, Registrar and Transfer Agent of the Company.
- M. Members/proxies are requested to bring their Attendance Slips duly filled in along with their copy of Annual Report to the Meeting.
- N. Members holding physical shares in multiple folios' are requested to consolidate their holdings for overall convenience.
- O. Members holding shares in physical form are requested to forward/update the details of their Bank particulars, for printing the necessary details on dividend warrants to avoid fraudulent encashment, if any. Members holding shares in dematerialised form are requested to inform the necessary details/update to the concerned Depository Participant, where the demat account is maintained.
- P. I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration)

Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 57<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
  - (i) Open email and open PDF file viz; "Wires & Fabriks e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select "EVEN" of Wires & Fabriks (S.A.) Limited.
  - (viii) Now you are ready for e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutinizer@wirefabrik.com](mailto:scrutinizer@wirefabrik.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :  
EVEN (E Voting Event Number)  
USER ID PASSWORD/PIN
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 6<sup>th</sup> August, 2014 (9:00 am) and ends on 8<sup>th</sup> August, 2014 (6:00 pm). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30<sup>th</sup> June, 2014, may

cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 30<sup>th</sup> June, 2014.
- VII. Mr. B. N. Khandelwal, Company Secretary (Membership No. A 1148), Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.wirefabrik.com](http://www.wirefabrik.com) or on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and The Calcutta Stock Exchange Association Ltd.

**By Order of the Board  
For Wires and Fabriks (S.A.) Ltd.**

**(Amit Dhanuka)  
Company Secretary**

Jaipur  
Dated, the 27<sup>th</sup> day of June, 2014

## ANNEXURE TO NOTICE

### Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 (Section 173(2) of the Companies Act, 1956)

#### ITEM NO. 6

Shri Vinod Kumar Ladia, was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 9<sup>th</sup> November, 2013. As per the provisions of Section 161 of the Companies Act, 2013 (Section 260 of the Companies Act, 1956), Shri Ladia shall hold office up to the date of this Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), proposing the candidature of Shri Ladia for the office of Director. In view of the background and valuable experience of Shri Ladia, it will be in the interest of the Company that he continues as a Director of the Company.

Shri Ladia, aged 68 years, a Gold Medallist in B.Sc. (Textiles) from Technological Institute of Textiles, Bhilwani in 1966 and a M.B.A. from Indian Institute of Management, Ahmedabad in 1968. He had also completed his training at Harvard Business School, U.S.A.

Shri Ladia has been the recipient of UDYOG PATRA AWARD at the hands of Hon'ble President of India. He has also received Several other Awards which includes Leadership Award, Membership Growth Award, Chevron Award, 100% District Governor Award, International President Award for Humanitarian Services and Seven International President's Appreciation Certificate among many others.

Shri Ladia has been associated with various other distinguished Associations and Organisations at Different level as the Chairman, President or Member. He has been associated with The Synthetic & Rayon Textile Export Promotion Council, Indian Spinners Association, Confederation of Indian Textile Industry, The Rajasthan Textile Mills Association, Board of Textile Committee, Federation of Indian Export Organization, All India Management Association, Textile Association (India), Central Excise Advisory Committee, Mission on Livelihood (MOU), constituted by Govt. of Rajasthan, The Institution of Engineers (India), Advisory Board of P.J. Foundation, Board of Governors, Sangam University, Bhilwara, Lions Club, Udaipur, District Governor (1990-91) of District 323 E2, Lions Clubs International, among many others.

Shri Ladia is presently associated with the following other Companies as a Director.

Sl.	Name of the Company	Position
1	Shree Rajasthan Syntex Ltd.	Managing Director
2	Shree Shyam Industries Pvt. Ltd.	Director
3	Swan Industries Ltd.	Director

4	V K Texchem Pvt. Ltd.	Director
5	The Synthetic and Rayon Textiles Exports Promotion Council	Director
6	Divine Fibres Pvt. Ltd.	Director
7	SRSL Securities Ltd.	Director
8	Shree Shyam Distributors and Marketing Pvt. Ltd.	Director

Shri Ladia is not a Member of any Committee.

Shri Ladia does not hold any equity Shares in the Company.

In the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and the proposed Director is Independent of the management.

Except, Shri Vinod Kumar Ladia, no other Director, Managers, Key Managerial Personnel and their respective relatives are interested, either financially or otherwise, in passing of the above Resolution.

#### ITEM NO. 7

Shri Subrata Kumar Mitra, was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 9<sup>th</sup> November, 2013. As per the provisions of Section 161 of the Companies Act, 2013 (Section 260 of the Companies Act, 1956), Shri Mitra shall hold office up to the date of this Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), proposing the candidature of Shri Mitra for the office of Director. In view of the background and valuable experience of Shri Mitra, it will be in the interest of the Company that he continues as a Director of the Company.

Shri Mitra, aged 65 years, a M.Sc (Calcutta University-1970) and a MBA (USA – 1977).

Shri Mitra is currently on the Board of several reputed companies in diverse industries as an Independent Director. He has been actively associated with several International NGOs, Committees and Chambers in India. He has contributed articles in reputed Domestic and International Financial publications and has delivered talks in Domestic and International Forums.

Shri Mitra had been associated with Standard Chartered Bank and was instrumental in setting up the Merchant Banking Divisions of Bank of India in 1977 and then in 1978 for Standard Chartered Bank in Mumbai. In 1985 Shri Mitra joined American Express Bank and was the Head of Corporate Banking and Investment Banking in India. Shri Mitra was also instrumental in setting up the GIC Mutual Fund, sponsored by the Government owned General Insurance Corporation of India. In June 1994, he joined the Aditya Birla Group as Director, Financial Services and was responsible for setting up the highly

respected and successful financial services activities for the Group. The Group is one of the early multinational conglomerates from India with worldwide revenues exceeding US \$ 30 billion.

Shri Mitra is presently associated with the following other Companies as a Director.

Sl.	Name of the Company	Position
1	Qsk Advisory Pvt. Ltd.	Director
2	Reach Cargo Movers Pvt. Ltd.	Director
3	Mangal Keshav Securities Ltd.	Director
4	SKP Securities Ltd.	Director
5	Destimoney Securities Pvt. Ltd.	Director
6	LIC Nomura Mutual Fund AMC Limited	Director
7	Usha Martin Education & Solutions Limited	Director
8	Usha Breco Limited	Director

Shri Mitra is also a Member on the various Committees of the following other Companies:

Sl.	Name of the Company	Committee	Position
1	LIC Nomura Mutual Fund AMC Limited	Audit Committee	Member
2	LIC Nomura Mutual Fund AMC Limited	Executive Committee	Member
3	Reach Cargo Movers Pvt. Ltd.	Audit Committee	Chairman
4	Destimoney Securities Pvt. Ltd.	Audit Committee	Member

Shri Mitra does not hold any equity Shares in the Company.

In the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and the proposed Director is Independent of the management.

Except, Shri Subrata Kumar Mitra, no other Director, Managers, Key Managerial Personnel and their respective relatives are interested, either financially or otherwise, in passing of the above Resolution.

#### ITEM NO. 8

Mr. Basant Kumar K Khaitan was re-appointed as the Managing Director of the Company for a period of 5 years w.e.f. 01.04.2012 and remuneration fixed for a period of 3 years upto 31.03.2015. The Ministry of Corporate Affairs vide letter no. B35124791/2012-CL.VII dated 7<sup>th</sup> October, 2013 approved the Company to pay total remuneration of

Rs. 93,73,206 p.a. for F-Y 2012-13, Rs. 1,07,79,187 p.a. for the F-Y 2013-14 and Rs. 1,20,00,000 p.a. for the F-Y 2014-15 as minimum remuneration, being in excess of the limits specified in Part II of Schedule XIII of the Companies Act, 1956, to Mr. Basant Kumar Khaitan. The Remuneration

Committee at their meeting held on 17<sup>th</sup> May, 14 after taking into account financial position of the Company, trend, his qualification, experience, past performance, previous remuneration and also keeping in view the interest of the Company and the shareholders, recommended remuneration and other perquisites which was subsequently accepted by the Board of Directors subject to the approval of the shareholders by way of Special Resolution and Central Government as under:

Salary for the F-Y 2015-16: Rs. 1,44,00,000 per annum and Salary for the F-Y 2016-17: Rs.1,56,00,000 per annum.

Mr. Basant Kumar Khaitan will be entitled to the following which will not be treated as perquisites:

- Provision of car and telephone / communication media at residence for Company's business.
- Reimbursement of travelling and other expenses actually incurred for Company's business.
- Reimbursement of actual expenditure for enhancement of knowledge.

Mr. Basant Kumar Khaitan will also be entitled to the following perquisites which will not be included in the computation of ceiling on remuneration specified as above:

- Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate of half month's salary for every completed year of service as per the rules of the Company.
- Leave with full pay as per the Company's Rules including encashment of Leave at the end of the tenure.

Further, Mr. Basant Kumar Khaitan will also be entitled to certain retirement benefits after retirement/cessation of service as per rules of the Company.

**Information pursuant to Section II(B) of Part II of Schedule V of the Companies Act, 2013 (Section II(C) of Part II of Schedule XIII of the Companies Act, 1956) relating to remuneration payable to Mr. Basant Kumar Khaitan, Chairman cum Managing Director:**

#### I. GENERAL INFORMATION:

##### (1) Nature of Industry:

Manufacturing of products for paper industry (Technical Textile & Chemicals) and wind power generation.

##### (2) Date or expected date of commencement of commercial production:

Already in commercial production.

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

N. A.



(4) *Financial performance based on given indicators:*

The financial performance of the Company in brief is as under:

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Turnover	8768.44	9075.98	10030.49
PBIDT	1919.10	1401.13	1408.23
PAT	506.38	161.66	299.23
Dividend (%)	18.00	18.00	18.00

(5) *Export performance and Net foreign exchange earnings:*

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Export Performance	2440.98	2440.49	2697.36
Net Foreign Exchange Earnings	668.78	183.79	(212.31)

(6) *Foreign investments or collaborators, if any.*

There is no foreign investment. The Company has technical collaboration with M/s. Albany International Corp., U.S.A.

## II. INFORMATION ABOUT THE APPOINTEE:

(1) *Background details :*

Mr. Basant Kumar Khaitan joined the Company in the year 1972 and was first appointed as whole-time director designated as Managing Director in the year 1984. He was appointed as the Chairman of the Company in the Meeting of the Board of directors of the Company held on 9<sup>th</sup> August, 2012. He is a renowned industrialist. He is on the Board of several Companies.

(2) *Past remuneration:*

The past remuneration of Mr. Basant Kumar Khaitan was governed by Resolution passed by the Shareholders at the Annual General Meeting held on 9<sup>th</sup> August, 2011 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration paid for the financial year ended 31<sup>st</sup> March, 2014 is as under :

Salary: Rs. 95,64,000, Benefits: Rs. 11,99,744, Total: Rs. 1,07,63,744

(3) *Recognition or awards:*

N. A.

(4) *Job profile and his suitability:*

Mr. Basant Kumar Khaitan is a Managing Director of the Company since 1984. He was appointed as the

chairman of the company in the year 2012. His vision and leadership made the Company an established player of the industry and has diversified successfully into various products. His continued guidance will help the Company in touching new scales of success.

(5) *Remuneration proposed:*

The remuneration proposed to be paid to Mr. Basant Kumar Khaitan is stated earlier in this explanatory Statement.

(6) *Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:*

Taking into account these considerations and the responsibilities shouldered by him, the aforesaid remuneration is commensurate with the remuneration package paid to similar appointees in other companies.

(7) *Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.*

Besides the remuneration proposed, Mr. Basant Kumar Khaitan has no other pecuniary relationship with the Company except that Mr. Basant Kumar Khaitan is related to Mr. Mahendra Kumar Khaitan who is Joint Managing Director of the Company and Mr. Madhur Krishna Khaitan is DCOO-PMC of the Company.

## III. OTHER INFORMATION:

(1) *Reasons of loss or inadequate profits:*

The Company is a profit making and dividend paying company. Only for the purpose of payment of Managerial Remuneration, the Company had inadequate profits, which was due to the nature of business environment it works in.

(2) *Steps taken or proposed to be taken for improvement:*

Continued efforts on technology up-gradation, R & D activities as well as completion of modernization project will result into overall improvement in the coming years.

(3) *Expected increase in productivity and profits in measurable terms:*

After the completion of Modernization project and the improvement in economic scenario, company expects increase in production. However profit will increase only on absorption of higher interest and depreciation in coming period.

## IV. DISCLOSURES:

The remuneration package along with the corresponding details payable to Mr. Basant Kumar Khaitan has already been mentioned earlier. The Report on Corporate

Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option available to him. The respective tenure of Mr. Basant Kumar Khaitan is governed by the agreement.

This resolution is being proposed as a Special Resolution in view of the relevant provisions of Schedule V to the Companies Act, 2013 requiring a special resolution for payment of remuneration as minimum remuneration, which is exceeding the limits specified under the said schedule.

Your directors consider Mr. Basant Kumar Khaitan's experience and expertise of great value to the Company and commend the special resolution for approval.

Members are requested to treat the same as abstract of the terms of remuneration under Section 190 of the Companies Act, 2013 (Section 302 of the Companies Act, 1956).

Except Mr. Basant Kumar Khaitan, Mr. Mahendra Kumar Khaitan, Mr. Madhur Krishna Khaitan, no other Director, Managers, Key Managerial Personnel and their respective relatives are interested, either financially or otherwise, in passing of the above Resolution.

#### ITEM NO. 9

Mr. Kishan Kumar Khaitan was re-appointed as the Joint Managing Director of the Company for a period of 5 years w.e.f. 01.04.2012 and remuneration fixed for a period of 3 years upto 31.03.2015. The Ministry of Corporate Affairs vide letter no. B35143437/2012-CL.VII dated 17<sup>th</sup> October, 2013 approved the Company to pay total remuneration of Rs. 91,75,426 p.a. for F-Y 2012-13, Rs. 1,05,51,739 p.a. for the F-Y 2013-14 and Rs. 1,20,00,000 p.a. for the F-Y 2014-15 as minimum remuneration, being in excess of the limits specified in Part II of Schedule XIII of the Companies Act, 1956, to Mr. Kishan Kumar Khaitan. The Remuneration Committee at their meeting held on 27<sup>th</sup> June, 14 after taking into account financial position of the Company, trend, his qualification, experience, past performance, previous remuneration and also keeping in view the interest of the Company and the shareholders, recommended remuneration and other perquisites which was subsequently accepted by the Board of Directors subject to the approval of the shareholders by way of Special Resolution and Central Government as under:

Salary for the F-Y 2015-16: Rs. 1,44,00,000 per annum and Salary for the F-Y 2016-17: Rs. 1,56,00,000 per annum.

Mr. Kishan Kumar Khaitan will be entitled to the following which will not be treated as perquisites:

- Provision of car and telephone / communication media at residence for Company's business.
- Reimbursement of travelling and other expenses actually incurred for Company's business.

- Reimbursement of actual expenditure for enhancement of the knowledge.

Mr. Kishan Kumar Khaitan will also be entitled to the following perquisites which will not be included in the computation of ceiling on remuneration specified as above:

- Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate of half month's salary for every completed year of service as per the rules of the Company.
- Leave with full pay as per the Company's Rules including encashment of Leave at the end of the tenure.

Further, Mr. Kishan Kumar Khaitan will also be entitled to certain retirement benefits after retirement/cessation of service as per rules of the Company.

**Information pursuant to Section II(B) of Part II of Schedule V of the Companies Act, 2013 (Section II(C) of Part II of Schedule XIII of the Companies Act, 1956) relating to remuneration payable to Mr. Kishan Kumar Khaitan, Managing Director:**

#### I. GENERAL INFORMATION:

- Nature of Industry:

Manufacturing of products for paper industry (Technical Textile & Chemicals) and wind power generation.

- Date or expected date of commencement of commercial production:

Already in commercial production.

- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N. A.

- Financial performance based on given indicators:

The financial performance of the Company in brief is as under:

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Turnover	8768.44	9075.98	10030.49
PBIDT	1919.10	1401.13	1408.23
PAT	506.38	161.66	299.23
Dividend (%)	18.00	18.00	18.00

- Export performance and Net foreign exchange earnings:

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Export Performance	2440.98	2440.49	2697.36
Net Foreign Exchange Earnings	668.78	183.79	(212.31)

- (6) Foreign investments or collaborators, if any.  
There is no foreign investment. The Company has technical collaboration with M/s. Albany International Corp., U.S.A.

## II. INFORMATION ABOUT THE APPOINTEE:

### (1) Background details:

Mr. Kishan Kumar Khaitan joined the Company in the year 1978 and was first appointed as whole-time director designated as Jt. Managing Director in the year 1984. He was elevated and redesignated as the Managing Director of the Company since 27.06.2014. He is a renowned industrialist. He is on the Board of several companies.

### (2) Past remuneration:

The past remuneration of Mr. Kishan Kumar Khaitan was governed by Resolution passed by the Shareholders at the Annual General Meeting held on 9<sup>th</sup> August, 2011 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration paid for the financial year ended 31<sup>st</sup> March, 2014 is as under:

Salary: Rs. 93,60,000, Benefits: Rs. 11,86,783, Total: Rs. 1,05,46,783

### (3) Recognition or awards:

N. A.

### (4) Job profile and his suitability:

Mr. Kishan Kumar Khaitan was a Joint Managing Director of the Company since 01.10.1984 and is redesignated as Managing Director since 27.06.2014. His leadership made the Company an established player of the industry and has diversified successfully into various products. His continued guidance will help the Company in touching new scales of success.

### (5) Remuneration proposed:

The remuneration proposed to be paid to Mr. Kishan Kumar Khaitan is stated earlier in this explanatory Statement

### (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Taking into account these considerations and the responsibilities shouldered by him, the aforesaid remuneration is commensurate with the remuneration package paid to similar appointees in other companies.

### (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Besides the remuneration proposed, Mr. Kishan Kumar Khaitan has no other pecuniary relationship with the Company except that Mr. Kishan Kumar Khaitan is related to Mr. Devesh Khaitan who is Executive Director of the Company.

## III. OTHER INFORMATION:

### (1) Reasons of loss or inadequate profits:

The Company is a profit making and dividend paying company. Only for the purpose of payment of Managerial Remuneration, the Company had inadequate profits, which was due to the nature of business environment it works in.

### (2) Steps taken or proposed to be taken for improvement:

Continued efforts on technology up-gradation, R & D activities as well as completion of modernization project will result into overall improvement in the coming years.

### (3) Expected increase in productivity and profits in measurable terms:

After the completion of modernization project and the improvement in economic scenario, company expects increase in production. However profit will increase only on absorption of higher interest and depreciation in coming period.

## IV. DISCLOSURES:

The remuneration package along with the corresponding details payable to Mr. Kishan Kumar Khaitan has already been mentioned earlier. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option available to him. The respective tenure of Mr. Kishan Kumar Khaitan is governed by the agreement.

This resolution is being proposed as a Special Resolution in view of the relevant provisions of Schedule V to the Companies Act, 2013 requiring a special resolution for payment of remuneration as minimum remuneration, which is exceeding the limits specified under the said schedule.

Your directors consider Mr. Kishan Kumar Khaitan's experience and expertise of great value to the Company and commend the special resolution for approval.

Members are requested to treat the same as abstract of the terms of remuneration under Section 190 of the Companies Act, 2013 (Section 302 of the Companies Act, 1956).

Except Mr. Kishan Kumar Khaitan and Devesh Khaitan, no other Director, Managers, Key Managerial Personnel and their respective relatives are interested, either financially or otherwise, in passing of the above Resolution.

#### ITEM NO. 10

Mr. Mahendra Kumar Khaitan was re-appointed as the Executive Director of the Company for a period of 5 years w.e.f. 01.04.2012 and remuneration fixed for a period of 3 years upto 31.03.2015. The Ministry of Corporate Affairs vide letter no. B35182013/2012-CL.VII dated 10<sup>th</sup> October, 2013 approved the Company to pay total remuneration of Rs. 90,19,417 p.a. for F-Y 2012-13, Rs. 1,03,72,329 p.a. for the F-Y 2013-14 and Rs. 1,19,28,178 p.a. for the F-Y 2014-15 as minimum remuneration, being in excess of the limits specified in Part II of Schedule XIII of the Companies Act, 1956, to Mr. Mahendra Kumar Khaitan. The Remuneration Committee at their meeting held on 27<sup>th</sup> June, 14 after taking into account financial position of the Company, trend, his qualification, experience, past performance, previous remuneration and also keeping in view the interest of the Company and the shareholders, recommended remuneration and other perquisites which was subsequently accepted by the Board of Directors subject to the approval of the shareholders by way of Special Resolution and Central Government as under:

Salary for the F-Y 2015-16: Rs. 1,44,00,000 per annum and  
Salary for the F-Y 2016-17: Rs.1,56,00,000 per annum.

Mr. Mahendra Kumar Khaitan will be entitled to the following which will not be treated as perquisites:

- Provision of car and telephone / communication media at residence for Company's business.
- Reimbursement of travelling and other expenses actually incurred for Company's business.
- Reimbursement of actual expenditure for enhancement of the knowledge.

Mr. Mahendra Kumar Khaitan will also be entitled to the following perquisites which will not be included in the computation of ceiling on remuneration specified as above:

- Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate of half month's salary for every completed year of service as per the rules of the Company.
- Leave with full pay as per the Company's Rules including encashment of Leave at the end of the tenure.

Further, Mr. Mahendra Kumar Khaitan will also be entitled to certain retirement benefits after retirement/cessation of service as per rules of the Company.

**Information pursuant to Section II(B) of Part II of Schedule V of the Companies Act, 2013 (Section II(C) of Part II of Schedule XIII of the Companies Act, 1956) relating to remuneration payable to Mr. Mahendra Kumar Khaitan, Joint Managing Director:**

#### I. GENERAL INFORMATION:

- Nature of Industry:  
Manufacturing of products for paper industry (Technical Textile & Chemicals) and wind power generation.
- Date or expected date of commencement of commercial production:  
Already in commercial production.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:  
N. A.
- Financial performance based on given indicators:  
The financial performance of the Company in brief is as under:

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Turnover	8768.44	9075.98	10030.49
PBIDT	1919.10	1401.13	1408.23
PAT	506.38	161.66	299.23
Dividend (%)	18.00	18.00	18.00

- Export performance and Net foreign exchange earnings:

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Export Performance	2440.98	2440.49	2697.36
Net Foreign Exchange Earnings	668.78	183.79	(212.31)

- Foreign investments or collaborators, if any.  
There is no foreign investment. The Company has technical collaboration with M/s. Albany International Corp., U.S.A.

#### II. INFORMATION ABOUT THE APPOINTEE:

- Background details:  
Mr. Mahendra Kumar Khaitan joined the Company in the year 1989 and was first appointed as whole-time director designated as Executive Director in the year 1989. He was elevated and redesignated as the Jt. Managing Director of the Company since 27.06.2014.. He is a renowned industrialist. He is on the Board of several companies.

(2) Past remuneration:

The past remuneration of Mr. Mahendra Kumar Khaitan was governed by Resolution passed by the Shareholders at the Annual General Meeting held on 9<sup>th</sup> August, 2011 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration paid for the financial year ended 31<sup>st</sup> March, 2014 is as under:

Salary: Rs. 92,16,000, Benefits: Rs. 11,49,277, Total: Rs. 1,03,65,277

(3) Recognition or awards:

N. A.

(4) Job profile and his suitability:

Mr. Mahendra Kumar Khaitan was a Executive Director of the Company since 16.08.1989 and is redesignated as Jt. Managing Director since 27.06.2014. . He is looking after day to day operations of the Company. His continued guidance will help the Company in touching new scales of success.

(5) Remuneration proposed:

The remuneration proposed to be paid to Mr. Mahendra Kumar Khaitan is stated earlier in this explanatory.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Taking into account these considerations and the responsibilities shouldered by him, the aforesaid remuneration is commensurate with the remuneration package paid to similar appointees in other companies.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Besides the remuneration proposed, Mr. Mahendra Kumar Khaitan has no other pecuniary relationship with the Company except that Mr. M. K. Khaitan is related to Mr. Basant Kumar Khaitan who is Chairman cum Managing Director of the Company.

### III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

The Company is a profit making and dividend paying company. Only for the purpose of payment of Managerial Remuneration, the Company had inadequate profits, which was due to the nature of business environment it works in.

(2) Steps taken or proposed to be taken for improvement:

Continued efforts on technology up-gradation, R & D activities as well as completion of modernization project will result into overall improvement in the coming years.

(3) Expected increase in productivity and profits in measurable terms:

After the completion of modernization project and the improvement in economic scenario, company expects increase in production. However profit will increase only on absorption of higher interest and depreciation in coming period.

### IV. DISCLOSURES:

The remuneration package along with the corresponding details payable to Mr. Mahendra Kumar Khaitan has already been mentioned earlier. The Report on Corporate Governance in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option available to him. The respective tenure of Mr. Mahendra Kumar Khaitan is governed by the agreement.

This resolution is being proposed as a Special Resolution in view of the relevant provisions of Schedule V to the Companies Act, 2013 requiring a special resolution for payment of remuneration as minimum remuneration, which is exceeding the limits specified under the said schedule.

Your directors consider Mr. Mahendra Kumar Khaitan's experience and expertise of great value to the Company and commend the special resolution for approval.

Members are requested to treat the same as abstract of the terms of remuneration under Section 190 of the Companies Act, 2013 (Section 302 of the Companies Act, 1956).

Except Mr. Mahendra Kumar Khaitan and Mr. Basant Kumar Khaitan, no other Director, Managers, Key Managerial Personnel and their respective relatives are interested, either financially or otherwise, in passing of the above Resolution.

### ITEM NO. 11

Shri Devesh Khaitan, was appointed as an Additional Executive Director on the Board of Directors of the Company w.e.f. 27<sup>th</sup> June, 2014. As per the provisions of Section 161 of the Companies Act, 2013 (Section 260 of the Companies Act, 1956), Shri Khaitan shall hold office up to the date of this Annual General Meeting of the Company. The Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013 (Section 257 of the Companies Act, 1956), proposing the candidature of Shri Khaitan for the office of Director. In view of the background and valuable experience of Shri Khaitan, it will be in the interest of the Company that he continues as a Director of the Company.



Shri Khaitan, aged 32 years, is a M.SC. (Finance & Management) from the University of Exter, U.K. He did PGDBEM from the EDII, Ahmedabad and B.Com (Hons.) from the St. Xavier's College, Kolkata. He has rich experience in the field of Finance and Marketing. He has worked as Director-Projects in Kingsley Industries Limited, looking after the function of Projects, Marketing (including Paper Machine Equipments to Paper Industry and Accessories to Jute Industry) & Finance. Presently he has been associated with the Company since March, 2009, in the capacity of Deputy Chief Operating Officer – Chemical, drawing a salary of Rupees Five Lacs per month, besides perquisites.

Shri Khaitan is presently associated with the following other Companies as a Director.

Sl.	Name of the Company	Position
1	W & F Filtech Ltd.	Director
2	WMW Metal Fabrics Ltd.	Director
3	NEBB Engineering India Ltd.	Director
4	W & F Millennium Mercantile Pvt. Ltd.	Director
5	W & F Commercial Pvt. Ltd.	Director
6	Wires & Fabriks Pvt. Ltd.	Director
7	Rajputana Investment Society Pvt. Ltd.	Director
8	BKM Mercantile Pvt. Ltd.	Director
9	Kingsley Mercantile Pvt. Ltd.	Director
10	KIL Trading Pvt. Ltd.	Director
11	WMW Trading Pvt. Ltd.	Director
12	WMW Securities Pvt. Ltd.	Director
13	Kil Mercantile Pvt. Ltd.	Director
14	BKM Trading Pvt. Ltd.	Director
15	Khaitan Estates Pvt. Ltd.	Director
16	WMW Mercantile Pvt. Ltd.	Director
17	KMI Estates Pvt. Ltd.	Director
18	W & F Securities Pvt. Ltd.	Director
19	DHM Trading Pvt. Ltd.	Director
20	WMW Business Pvt. Ltd.	Director
21	Kingsley Industries Ltd.	Director
22	W & F Chemicals Ltd.	Director
23	GKD India Ltd.	Director

Shri Khaitan is not a Member of any Committee.

Shri Khaitan holds 25000 equity Shares in the Company.

Mr. Devesh Khaitan was appointed as the Deputy Chief Operating Officer -Chemicals of the Company from 17.03.2009. The Ministry of Corporate Affairs vide letter no. A-67429290-

CL.VII dated 30<sup>th</sup> April, 2009 approved the Company to pay total remuneration of Rs. 48,00,000 per annum with an increase of Rs. 65,000 per annum as remuneration, under Section 314(1B) of the Companies Act, 1956, to Mr. Devesh Khaitan. The Remuneration Committee at their meeting held on 27<sup>th</sup> June, 2014 after taking into account financial position of the Company, trend, his qualification, experience, past performance, previous remuneration and also keeping in view the interest of the Company and the shareholders, recommended remuneration and other perquisites which was subsequently accepted by the Board of Directors subject to the approval of the shareholders by way of Special Resolution and Central Government as under:

Salary for the period 1<sup>st</sup> July,, 2014 to 31<sup>st</sup> March, 2015: Rs. 81,00,000 for the said period and for the F-Y 2015-16: Rs. 1,20,00,000 per annum and Salary for the F-Y 2016-17: Rs.1,32,00,000 per annum.

Mr. Devesh Khaitan will be entitled to the following which will not be treated as perquisites:

- Provision of car and telephone / communication media at residence for Company's business.
- Reimbursement of travelling and other expenses actually incurred for Company's business.
- Reimbursement of actual expenditure for enhancement of the knowledge.

Mr. Devesh Khaitan will also be entitled to the following perquisites which will not be included in the computation of ceiling on remuneration specified as above:

- Company's Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate of half month's salary for every completed year of service as per the rules of the Company.
- Leave with full pay as per the Company's Rules including encashment of Leave at the end of the tenure.

Further, Mr. Devesh Khaitan will also be entitled to certain retirement benefits after retirement/cessation of service as per rules of the Company.

**Information pursuant to Section II(B) of Part II of Schedule V of the Companies Act, 2013 (Section II(C) of Part II of Schedule XIII of the Companies Act, 1956) relating to remuneration payable to Mr. Devesh Khaitan, Executive Director:**

#### **I. GENERAL INFORMATION:**

##### **(1) Nature of Industry:**

Manufacturing of products for paper industry (Technical Textile & Chemicals) and wind power generation.

- (2) Date or expected date of commencement of commercial production:

Already in commercial production.

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

N. A.

- (4) Financial performance based on given indicators:

The financial performance of the Company in brief is as under:

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Turnover	8768.44	9075.98	10030.49
PBIDT	1919.10	1401.13	1408.23
PAT	506.38	161.66	299.23
Dividend (%)	18.00	18.00	18.00

- (5) Export performance and Net foreign exchange earnings:

	(Rs. In lacs)		
	2011-2012	2012-2013	2013-2014
Export Performance	2440.98	2440.49	2697.36
Net Foreign Exchange Earnings	668.78	183.79	(212.31)

- (6) Foreign investments or collaborators, if any.

There is no foreign investment. The Company has technical collaboration with M/s. Albany International Corp., U.S.A.

## II. INFORMATION ABOUT THE APPOINTEE:

- (1) Background details:

Mr. Devesh Khaitan joined the Company in the year 2009 and was first appointed as Business Executive then promoted as Deputy Chief Operating Officer - Chemicals in the year 2009 itself. He is continuing at present position since 17.03.2009. He is a son of renowned industrialist. He is on the Board of several companies.

- (2) Past remuneration:

The past remuneration of Mr. Devesh Khaitan was governed by Resolution passed by the Shareholders at the Annual General Meeting held on 28<sup>th</sup> July, 2009 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration paid for the financial year ended 31<sup>st</sup> March, 2014 is as under:

Salary: Rs. 58,04,839, Benefits: Rs. 7,51,157, Total: Rs. 65,55,996

- (3) Recognition or awards:

N. A.

- (4) Job profile and his suitability:

Mr. Devesh Khaitan is a Deputy Chief operating Officer - Chemicals of the Company since 17.03.2009. He is looking after day to day operations of the Company. His continued guidance will help the Company in touching new scales of success.

- (5) Remuneration proposed:

The remuneration proposed to be paid to Mr. Devesh Khaitan is stated earlier in this explanatory.

- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

Taking into account these considerations and the responsibilities shouldered by him, the aforesaid remuneration is commensurate with the remuneration package paid to similar appointees in other companies.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Besides the remuneration proposed, Mr. Devesh Khaitan has no other pecuniary relationship with the Company except that Mr. Devesh Khaitan is related to Mr. Kishan Kumar Khaitan who is Managing Director of the Company.

## III. OTHER INFORMATION:

- (1) Reasons of loss or inadequate profits:

The Company is a profit making and dividend paying company. Only for the purpose of payment of Managerial Remuneration, the Company had inadequate profits, which was due to the nature of business environment it works in.

- (2) Steps taken or proposed to be taken for improvement:

Continued efforts on technology up-gradation, R & D activities as well as completion of modernization project will result into overall improvement in the coming years.

- (3) Expected increase in productivity and profits in measurable terms:

After the completion of modernization project and the improvement in economic scenario, company expects increase in production. However profit will increase only on absorption of higher interest and depreciation in coming period.

## IV. DISCLOSURES:

The remuneration package along with the corresponding details payable to Mr. Devesh Khaitan has already been mentioned earlier. The Report on Corporate Governance

in the Annual Report indicates the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option available to him. The respective tenure of Mr. Devesh Khaitan is governed by the agreement.

This resolution is being proposed as a Special Resolution in view of the relevant provisions of Schedule V to the Companies Act, 2013 requiring a special resolution for payment of remuneration as minimum remuneration, which is exceeding the limits specified under the said schedule.

Your directors consider Mr. Devesh Khaitan's experience and expertise of great value to the Company and commend the special resolution for approval.

Members are requested to treat the same as abstract of the terms of remuneration under Section 190 of the Companies Act, 2013 (Section 302 of the Companies Act, 1956).

Except Mr. Kishan Kumar Khaitan and Mr. Devesh Khaitan, no other Director, Managers, Key Managerial Personnel and their respective relatives are interested, either financially or otherwise, in passing of the above Resolution.

#### **ITEM NO. 12**

The members of the Company at their 37<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 1994 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of the paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 200 Crores (Rupees Two Hundred Crores).

Section 180(1)(c) of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 12 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is

being sought to borrow money upto Rs.200 Crores (Rupees two hundred crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

#### **ITEM NO. 13**

The members of the Company at their Extra Ordinary General Meeting held on 22<sup>nd</sup> April, 2002 approved by way of an Ordinary Resolution under Section 293(1)(e) of the Companies Act, 1956, to contribute and/or donate, from time to time, to any National Charitable, Benevolent and other funds, whether or not directly relating to the business of the Company or welfare of its employees, upto a sum of Rs. 5 Crores (Rupees Five Crores only) in any Financial Year, as may be considered appropriate by the Board of Directors, notwithstanding that such amounts in any Financial year exceed Rs. 50,000 or 5% of the Company's Average Net profit as determined in accordance with the provisions of the Companies Act, 1956 during the three immediately preceding Financial Years, whichever is greater.

Section 181 of the Companies Act, 2013 effective from 12<sup>th</sup> September, 2013 requires that the Board of Directors shall not contribute and/or donate, from time to time, to any National Charitable, Benevolent and other funds, whether or not directly relating to the business of the Company or welfare of its employees, in any Financial Year more than 5% of the Company's Average Net profit as determined in accordance with the provisions of the Companies Act, 2013 during the three immediately preceding Financial Years, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 181 and other applicable provisions of the Companies Act, 2013, as set out at Item No. 14 of the Notice, to enable to the Board of Directors to contribute and/or donate, from time to time, to any National Charitable, Benevolent and other funds, whether or not directly relating to the business of the Company or welfare of its employees, upto a sum of Rs. 5 Crores (Rupees Five Crores only) in any Financial Year in excess of the 5% of the Company's Average Net profit as determined in accordance with the provisions of the Companies Act, 2013 during the three immediately preceding Financial Years.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 13.

By Order of the Board  
For **Wires and Fabriks (S.A.) Ltd.**  
(Amit Dhanuka)  
Company Secretary

Jaipur  
Dated, the 27<sup>th</sup> day of June, 2014



**wires & fabriks**

## **Wires and Fabriks (S.A.) Limited**

(CIN: L29265WB1957PLC023379)

Regd. Office : 7 Chittaranjan Avenue, Kolkata -700 072

Website: www.wirefabrik.com, E-Mail: ig@cal.wirefabrik.com

Ph. (033) 4012-4012, Fax: (033) 2237-2712

### **Proxy Form-57<sup>th</sup> AGM**

I/We \_\_\_\_\_

of \_\_\_\_\_

being Member(s) of M/s. Wires & Fabriks (S. A.) Ltd. hereby appoint

\_\_\_\_\_

of \_\_\_\_\_

or failing whom \_\_\_\_\_

of \_\_\_\_\_

or failing whom \_\_\_\_\_

as my / our proxy to attend and vote for me/us and on my/our behalf at the 57<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 13<sup>th</sup> day of August, 2014 at 12.00 Noon at Seminar Hall, Science City, JBS Halden Avenue, Kolkata - 700 046 or at any adjournment thereof.

No. of Shares	Folio No.	DP ID No.*
		Client ID No. *
		* Applicable for members holding shares in electronic form.
Name & Address		

Dated, this \_\_\_\_\_ day of \_\_\_\_\_ 2014      Signature \_\_\_\_\_

Note : The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

Affix Re. 1/-  
Revinue  
Stamp



**wires & fabriks**

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**Wires and Fabriks (S.A.) Limited**

**ANNUAL REPORT**

**2013 - 2014**



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#### **OUR PRODUCT RANGE**

- Paper Machine Clothing
- Paper Making Chemicals

#### **DIRECTORS**

Satish Ajmera  
Dinkarray Durgashankar Trivedi  
Mohan Lal Bhagat  
Vinod Kumar Ladia  
Subrata Kumar Mitra  
Devesh Khaitan, *Executive Director*  
Mahendra Kumar Khaitan, *Jt. Managing Director*  
Kishan Kumar Khaitan, *Managing Director*  
Basant Kumar Khaitan, *Chairman cum Managing Director*

#### **Secretary**

Amit Dhanuka

#### **Auditors**

S. S. Kothari & Co.

#### **Registered Office**

7, Chittaranjan Avenue  
Kolkata – 700072  
Ph. (033) 4012-4012  
Fax : (033) 2237-2712  
Website : [www.wirefabrik.com](http://www.wirefabrik.com)



*In 1963, at Jaipur, with German Machinery and Technology, the Company started manufacturing Technical Textile - Paper Machine Clothing, namely, Phosphor Bronze Wire Cloth for the Paper Industry. Stainless Steel Wire Cloth was introduced in 1974. After further additions in capacity and products, in 1981, the Company entered into manufacturing of Single Layer Synthetic Forming Fabrics, with German collaboration. Double Layer Synthetic Forming Fabrics were introduced for the first time in India in 1986 and again Triple Layer Synthetic Forming Fabrics were introduced for the first time in India in 1996. The Company's product range now includes Dryer Screens (woven & spiral), Pulp Fabrics and Technical Fabrics for new industry segments where filtration/ drying are required.*

*Today, Wires & Fabriks is the market leader in India and the sub-continent for Technical Textile - Synthetic Forming Fabrics and among the few manufacturers in world for SSB Fabrics, which represents the latest in Synthetic Forming Fabrics Technology. In the Paper Making Chemicals, the Company has a tie-up with some of the best overseas Paper Making Chemical manufacturers.*

*The Company was awarded accreditation under ISO 9002 system in 1994 and has been upgraded to 9001 : 2008 in 2009. The Company is the first manufacturer of technical/industrial fabrics in the Country to have its In-house R&D recognized by the Govt. of India. The Company has a technical collaboration with the world leader in paper machine clothing, Albany International Corp., U.S.A. The Company constantly updates itself with modern machines and latest technology. It also exports its products to over twenty countries.*

*The Company's mission is to consistently delight its customers through its value-added products and services and to create a strong technological base through an environment of team-work which will enable it to become a world-class manufacturer in its existing product line and to use its strength to diversify into other profitable ventures.*

## DIRECTORS' REPORT

### For the Year 2013-14

Dear Members,

The Directors of the Company have pleasure in presenting the 57<sup>th</sup> Annual Report and Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL RESULTS

The financial results, in brief, for the year ended 31<sup>st</sup> March, 2014 are as under:

The Directors of the Company have pleasure in presenting the 57<sup>th</sup> Annual Report and Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2014.

(Rs. in Lacs)

	<u>31.03.2014</u>	<u>31.03.2013</u>
<b>Total Income</b>	<b>10059.29</b>	<b>9136.63</b>
Profit Before Tax	305.19	170.18
<b>Profit After Tax</b>	<b>299.23</b>	<b>161.66</b>
Disposable Surplus (Including earlier years balance)	2743.56	2476.33
Appropriations	89.36	88.94
Balance Carried Forward	2654.20	2387.39

### DIVIDEND

Your directors have recommended to the Members a dividend of Rs. 1.80 per share (previous year Rs. 1.80 per share) amounting to Rs. 64.36 Lacs, including dividend tax thereon for the financial year ended 31<sup>st</sup> March, 2014.

### OPERATIONS & FUTURE OUTLOOK

During the year under review, your company crossed the Rupees Hundred Crores mark in turnover as all time high, with a good increase in profitability over the previous year.

Your Company continues to maintain its leadership in Technical Textiles due to continued thrust on new product development and technical up-gradation. A number of steps taken to reduce costs and increase market penetration will lead to improved performance in the coming years. The current economic scenario may however continue to affect the results of the Company in the short term. With economic improvement, the Indian Paper Industry is expected to grow at a higher rate than the GDP growth, specially in the packaging segment. With our strong thrust on exports, the modernisation once

completed, will enable your Company to become more competitive and enter new markets.

### DIRECTORS

Mr. V. K. Ladia and Mr. S. K. Mitra were appointed as Additional Directors w.e.f. 9<sup>th</sup> November, 2013. Mr. Devesh Khaitan was appointed as an Additional Executive Director w.e.f. 27<sup>th</sup> June, 2014.

Mr. O. P. Khaitan was appointed as an Additional Directors w.e.f. 9<sup>th</sup> November, 2013 and resigned from the post of Additional Director w.e.f. 20<sup>th</sup> June, 2014.

Mr. Kishan Kumar Khaitan Jt. Managing Director of the Company was elevated and redesignated as the Managing Director of the Company w.e.f. 27<sup>th</sup> June, 2014.

Mr. Mahendra Kumar Khaitan Executive Director of the Company was elevated and redesignated as the Jt. Managing Director of the Company w.e.f. 27<sup>th</sup> June, 2014.

Mr. D. D. Trivedi and Mr. S. Ajmera, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

### AUDITORS

M/s S. S. Kothari & Co., Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

### DIRECTORS' RESPONSIBILITY STATEMENT & OTHER INFORMATION'S

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

- That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2014 on a going concern basis.

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, forms a part of this report.

The statement of particulars, required pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (Amendment) Rules, 2002, forms a part of this report.

However, as permitted by the Companies Act, 1956, the Report and Accounts are being sent to all Members and other entitled persons excluding the above statements. Those interested in obtaining a copy of the said statements, may write to the Company at its Registered Office and the same will be sent by post. The statements are also available for inspection at

the Registered Office, during working hours upto the date of the Annual General Meeting.

## **CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS REPORT**

In accordance with Clause 49 of the Listing Agreement, the Management Discussion & Analysis Report together with the Report on Corporate Governance and the certificate, in respect of compliance with the conditions of corporate governance, is annexed herewith.

## **ACKNOWLEDGEMENT**

The directors wish to place on record their gratitude to the Customers, Banks, Investors, Suppliers, Government agencies and all other business associates for their valuable assistance, continued support and confidence in the Company. The Directors also place on record their deep appreciation to all employees of the Company for their unstinted efforts during the year.

Jaipur  
Dated, the 27th day of June, 2014

For and on behalf of the Board  
B. K. Khaitan                      K. K. Khaitan  
Chairman cum Managing Director      Managing Director

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in and practices good corporate governance. The Company creates an environment to enable the management for the efficient conduct of the business and to meet its obligations to all stakeholders.

### 2. BOARD OF DIRECTORS

During the year, 8 meetings of the Board of Directors were held on 30<sup>th</sup> May 2013 (10.00 A.M. & 11.00 A.M.), 30<sup>th</sup> July, 2013 (10.30 A.M. & 11.00 A.M.), 9<sup>th</sup> November 2013 (3.30 P.M. & 4.00 P.M.) and 14<sup>th</sup> February 2014 (3.00 P.M. & 3.30 P.M.). The maximum gap between any two meetings was less than four months. The Board was presented with all relevant and necessary information at its meetings including information as required under the listing agreement. Details of Directors seeking re-appointment in 57<sup>th</sup> Annual General Meeting are given with the Notice.

The composition and category of the Board of Directors of the Company and other information as required, is as follows:

Name of Directors	Category of Director	No. of Board Meetings Attended	Last AGM Attended	Directorships in other Public Ltd. Companies	Committee* Position in other Companies	
					Member	Chairman
Mr. B. K. Khaitan, <i>CMD</i>	PE	8	Yes	8	-	-
Mr. K. K. Khaitan, <i>Managing Director</i> <sup>^</sup>	PE	8	Yes	5	-	-
Mr. M. K. Khaitan, <i>Jt. Managing Director</i> <sup>^</sup>	PE	8	Yes	6	-	-
Mr. Devesh Khaitan, <i>Executive Director</i> <sup>^^</sup>	PE	-	-	6	-	-
Mr. S. Ajmera	NEI	8	Yes	2	-	2
Mr. M. L. Bhagat	NEI	8	Yes	1	-	-
Mr. D. D. Trivedi	NEI	6	Yes	4	2	-
Mr. O.P. Khaitan <sup>**/+</sup>	NEI	4	-	7	6	4
Mr. V. K. Ladia <sup>**</sup>	NEI	4	-	4	-	-
Mr. S. K. Mitra <sup>**</sup>	NEI	4	-	5	1	-

NEI: Non Executive & Independent. PE: Promoter & Executive, CMD: Chairman cum Managing Director

\* Audit Committee & Shareholders Grievance Committee only, ^ Redesignated w.e.f. 27<sup>th</sup> June, 2014,

<sup>^^</sup>Appointed w.e.f 27<sup>th</sup> June, 2014, <sup>\*\*</sup>Appointed w.e.f. 9<sup>th</sup> November, 2013, + Resigned w.e.f 20<sup>th</sup> June, 2014.

### 3. AUDIT COMMITTEE :

During the period under review, Audit Committee headed by Mr. D. D. Trivedi, comprised of three Non-Executive Independent Directors namely Mr. M L Bhagat, Mr. Satish Ajmera and Mr. D. D. Trivedi. The terms of reference, role and powers of the Audit Committee are in line with the regulatory requirements mandated by SEBI, the Listing Agreement as well as the Companies Act, 1956. During the year, four meetings of the Audit Committee were held on 30<sup>th</sup> May 2013, 30<sup>th</sup> July, 2013, 9<sup>th</sup> November 2013 and 14<sup>th</sup> February 2014.

Mr. M L Bhagat, Mr. Satish Ajmera and Mr. D.D. Trivedi attended 4, 4 & 3 meetings respectively. The Company Secretary acts as a Secretary to the Committee.

### 4. REMUNERATION COMMITTEE :

During the period under review, Remuneration Committee headed by Mr. M. L. Bhagat comprised of three Non-Executive Independent Directors namely Mr. Satish Ajmera, Mr. D. D. Trivedi and Mr. M L Bhagat. The terms of reference, role and powers of the Committee are in line with the regulatory requirements mandated by SEBI, the Listing Agreement as well as Companies Act, 1956. During the year, no meeting of the Committee was held. The Company Secretary acts as a Secretary to the Committee.

#### Remuneration Policy :

The payment of remuneration to the Whole-time Director(s) are governed by the respective agreement between them and the Company. The current tenure of Whole-time Director(s) is for a period of five years with effect from 1<sup>st</sup> April, 2012 which can be further extended by re-appointing them, subject to the approval by Members in the General Meeting. The current remuneration of Whole-time Director(s) is as per the approval received from the Central Government for a period of 3 years effective from 1<sup>st</sup> April, 2012. The Non-Executive Directors are paid sitting fees as approved by the Board/Committee meetings besides reimbursement of actual travelling and out of pocket expenses. Presently, the Company does not have any scheme for grant of stock options either to the directors or employees of the Company.



The details of remuneration to the Directors during the year are as under :

Name	Salary* (Rs.)	Other Benefits* (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. B. K. Khaitan, CMD	1,06,80,000	13,33,664	-	1,20,13,664
Mr. K. K. Khaitan, Managing Director	1,04,28,000	13,14,943	-	1,17,42,943
Mr. M. K. Khaitan, Jt. Managing Director	1,02,60,000	12,74,557	-	1,15,34,557
Mr. S. Ajmera, Director			1,30,000	1,30,000
Mr. M. L. Bhagat, Director			1,30,000	1,30,000
Mr. D. D. Trivedi, Director			90,000	90,000
Mr. O. P. Khaitan, Director	-	-	40,000	40,000
Mr. V. K. Ladia, Director	-	-	20,000	20,000
Mr. S. K. Mitra, Director	-	-	40,000	40,000

\* Including Arrears

#### 5. SHAREHOLDERS GRIEVANCE COMMITTEE:

During the period under review, Shareholders Grievance Committee headed by Mr. Satish Ajmera, comprised of three Non-Executive Directors namely Mr. D.D. Trivedi, Mr. M. L. Bhagat and Mr. Satish Ajmera and two Executive Directors, Mr. K. K. Khaitan, Joint Managing Director and Mr. M. K Khaitan, Executive Director The terms of reference, role and powers of the shareholders grievance committee are in line with the regulatory requirements mandated by SEBI and the Listing Agreement. During the year, the Committee met on 30<sup>th</sup> May 2013, which was attended by Mr. Satish Ajmera, Mr. M. L. Bhagat, Mr. K.K Khaitan and Mr. M. K Khaitan. Grievances requiring specific guidance in between the meetings are communicated to the Chairman and redressed as per his advice.

The Company has received Nil complaint during the year. All complaints, if any, are resolved / replied within reasonable time. The Company Secretary acts as the Secretary to the Committee.

#### 6. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held on 30<sup>th</sup> July, 2013 at 11.30 a.m. (at Seminar Hall, Science City, JBS Halden Avenue, Kolkata 700 046), 11<sup>th</sup> September, 2012 at 2.30 p.m. and 9<sup>th</sup> August, 2011 at 1.00 p.m. (both at Indian Chamber of Commerce, ICC Towers, 10<sup>th</sup> Floor, 4 India Exchange Place, Kolkata – 700 001). All the Special Resolutions contained in the respective Notices of the AGM's were passed by the Members. No Special Resolution was passed last year through postal ballot.

#### 7. DISCLOSURES:

As a matter of policy, the Company does not enter into any transaction with any related party that may have potential conflict with the interests of the Company at large. The transactions with related party in normal course of business have been disclosed in the Notes forming part of Accounts.

The Company has adopted a new whistle blower policy, wherein the employees of the Company can have direct access to the Chairman of the Audit Committee and / or Director in respect of his / her grievances.

The details of Compliance with mandatory requirements and adoption of non-mandatory requirements is as under:

Compliance with Mandatory Requirements:

Sl.No.	Particulars	Compliance Status/Remarks
1	Board of Directors	Complied with
2	Audit Committee	Complied with
3	Subsidiary Companies	Not Applicable
4	Disclosure	Complied with
5	CEO/CFO Certification	Complied with
6	Report on Corporate Governance	Complied with

Adoption of Non - Mandatory Requirements:

Sl.No.	Particulars	Compliance Status/Remarks
1	Remuneration Committee	The Remuneration Committee is already in existence, comprising of only non-executive directors.
2	Audit Qualification	The financial statement has no major qualifications.

## 8. MEANS OF COMMUNICATION:

Annual Reports in respect of each financial year are mailed to all shareholders generally in July of each calendar year. The quarterly financial results are normally published in Financial Express (English) & Aarthik Lipi (Vernacular) and are also furnished to the concerned Stock Exchanges in required format to enable them to display at their respective websites. The quarterly/annual financial statement, shareholding pattern etc. are posted on Company website and can be viewed on [www.wirefabrik.com](http://www.wirefabrik.com)

## 9. GENERAL SHAREHOLDER INFORMATION :

- (a) Company Registration Details : The Company is registered in the State of West Bengal, India.  
The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L29265WB1957PLC023379.
- (b) AGM: Date, Time & Venue : Wednesday, the 13<sup>th</sup> day of August, 2014 at 12.00 Noon  
Seminar Hall, Science City, JBS Halden Avenue, Kolkata 700 046.
- (c) Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March
- (d) Dates of Book closure : 6<sup>th</sup> August, 2014 to 13<sup>th</sup> August, 2014 (both days inclusive)
- (e) Dividend payment date : The Dividend, declared if any, will be paid within 30 days from the date of AGM.

### (f) Listing of Stock Exchanges & Stock Code

Bombay Stock Exchange Ltd P. J. Towers, Dalal Street Mumbai 400 001 (Stock Code: 507817)	The Calcutta Stock Exchange Ass. Ltd 7, Lyons Range Kolkata 700 001 (Stock Code: 10033008)
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The annual listing fee for the year 2014-2015 has been paid to all the above Stock Exchanges.

### (g) Share Price Data, as traded at Bombay Stock Exchange Limited during 2013-2014 (in Rs.)

2013										2014		
	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
High	70.00	68.70	70.90	70.90	59.10	57.00	57.50	54.65	51.45	52.00	52.00	48.50
Low	52.40	65.50	68.40	59.10	56.20	51.35	50.45	49.00	42.10	45.10	45.30	42.10

(Source: BSE Website)

**Note :** There was no trading during the year on The Calcutta Stock Exchange Limited, Kolkata.

### (h) Stock Performance in comparison to BSE Sensex :

	As on 31.03.2013	As on 31.03.2014	Increase %
BSE Sensex	18835.77	22386.27	18.85
Company's Stock Price at BSE (Rs.)	56.30	48.50	(13.85)

(Source: BSE Website)

- (i) Registrar & Transfer Agent : ABS Consultant Pvt. Ltd.  
99, Stephen House, 6<sup>th</sup> Floor, 4, B.B D Bag (E), Kolkata-700 001  
Ph: 2220-1043, 2243-0153. E-Mail: [absconsultant@vsnl.net](mailto:absconsultant@vsnl.net)
- (j) Share Transfer System : Share transfer documents complete in all respects are registered and or share transfer under objections are returned within stipulated time period.
- (k) Distribution of Shareholding as on 31<sup>st</sup> March, 2014

No. of shares	No. of Equity Shareholders	% of Shareholders	No. of Equity Shares held	% of Shareholding
1 to 1000	4035	98.20	486080	15.90
1001 to 10000	59	1.43	159544	5.22
10001 & above	15	0.37	2410626	78.88
<b>Total</b>	<b>4109</b>	<b>100.00</b>	<b>3056250</b>	<b>100.00</b>

- (l) Dematerialisation of shares and liquidity : The Equity Shares of the Company are eligible for demat by both the depositories namely NSDL & CDSL, under ISIN: INE469D01013. About 91.17% of shares were held in dematerialisation form by the shareholders of the Company, as on 31<sup>st</sup> March, 2014. The trading of the equity shares of the Company on the Stock Exchanges are under the list of compulsory delivery in dematerialization form by all investors. The shares of the Company are regularly traded at BSE.
- (m) Outstanding ADR's / GDR's/Warrants / or any other Convertible Instruments : Nil
- (n) Plant Locations : Jaipur & Jaisalmer, Rajasthan  
Howrah, West Bengal.
- (o) Address for Correspondence & Redressal of Investor Grievances : The Compliance Officer  
Wires and Fabriks (S.A.) Limited  
7, Chittaranjan Avenue, Kolkata-700 072  
Phone Nos. : +91-33-2237-0116/7, Fax : +91-33-2225-7136  
E-Mail: ig@cal.wirefabrik.com
- (p) Compliance officer : The Company Secretary acts as Compliance Officer of the Company.
- (q) Shareholding of Non-Executive Directors : Mr. S. Ajmera – 150 Nos. Equity Shares  
Mr. D. D. Trivedi – 1000 Nos. Equity Shares
- (r) Promoter's Group Shareholding : 2291056 Nos. Equity Shares representing 74.96%

Jaipur  
Dated, the 27<sup>th</sup> day of June, 2014

For and on behalf of the Board  
**B. K. Khaitan** Chairman cum Managing Director  
**K. K. Khaitan** Jt. Managing Director

### Declaration in respect of Compliance with the Code of Conduct

It is hereby declared that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, for the financial year ended 31<sup>st</sup> March, 2014.

Jaipur  
Dated, the 27<sup>th</sup> day of June, 2014

**M. K. KHAITAN**  
(CEO)

### Certificate to the Members of Wires & Fabriks (S.A.) Limited on the conditions of Corporate Governance for the year ended 31<sup>st</sup> March, 2014 under the Clause 49 of the Listing Agreement with the concerned Stock Exchanges

We have examined the Compliance of the conditions of Corporate Governance by Wires & Fabriks (S.A.) Limited for the year ended 31<sup>st</sup> March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination is limited to the review of the procedures and compliance thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

8, Ganesh Chandra Avenue,  
Kolkata - 700013  
Dated, the 27<sup>th</sup> day of June, 2014

**(B.N. KHANDELWAL)**  
Company Secretary in Practice  
C.P. No. 1148  
M. No. 1614

## **MANAGEMENT DISCUSSIONS & ANALYSIS REPORT 2013-14**

### **INDUSTRY STRUCTURE & DEVELOPMENTS**

The Company mainly deals in technical products for the Paper Industry. The Paper Industry in India is growing at a rate higher than the GDP growth. Present per capita paper consumption in India being low, it is bound to increase, resulting in increased production of paper and increased consumption of company's products. The same is true in the case of other Asian countries. Our products Technical Textile requiring tailor made services offer us a great opportunity both by way of geographical advantage & local expertise.

### **OPPORTUNITIES & THREATS**

Growth in the Paper Industry is a foregone conclusion. Besides growth in the domestic sector, growth opportunity also exists in the export sector, as Asia is the fastest growing region in the world for the paper sector. Besides domestic competition, competition from overseas suppliers may increase due to various developments in the Indian Economy. However, the Company has maintained its leadership due to continuous thrust on modernisation & technology upgradation.

### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

Products for both the Paper industry & Wind mills are performing satisfactorily.

### **FUTURE OUTLOOK**

Company's Modernisation Project, considering the strengthening of domestic off take and of exports and increase in off take of new products, is underway. This will improve the performance in the forthcoming years. The current economic scenario may however affect the results in short term.

### **RISKS & CONCERNS**

Reduction in growth rate of Indian Paper Industry and increased competition both from domestic and overseas suppliers and foreign currency rates are main areas of concern. Costly equipments and constantly upgrading technology reduces margins. However, the emphasis on Research & Development has led to an inherent technical strength, which helps the Company to maintain its leadership and bottom-line.

### **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

The Company has adequate internal control procedure commensurate with the nature of its business & size of its operations. Internal Audit is conducted at regular intervals and covers the key areas of operations.

### **DISCUSSIONS ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The Company's closed last financial year with increased turnover. Profits also increased correspondingly. The Company plans to further strengthen the areas where more improvement opportunities exist.

### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

The Company continues to give its high attention to its Human Resources. Various initiatives were successfully implemented during the year. Industrial relations continue to be cordial.

### **CAUTIONARY STATEMENT**

Some of the statements made above are stated as required by applicable regulations. While they are based on the data available and the bonafide judgment of the management, the actual results may be affected by various factors, which may be different from what your management envisages in terms of future performance & outlook.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WIRES AND FABRIKS (S.A.) LIMITED**

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Wires & Fabriks (S.A.) Limited, which comprise the Balance Sheet as at March, 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the accounting standard generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"), read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014 ;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date;

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

- 1. As stated by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that :
  - a. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956, read with the General Circular 15/2013 dated 13<sup>th</sup> Sept. 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and
  - e. On the basis of the written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)g of the Companies Act, 1956.

"INDIA STEAMSHIP HOUSE"  
21, Old Court House Street  
Kolkata - 700 001

The 17<sup>th</sup> day of May, 2014

For **S.S.KOTHARI & CO.**  
Chartered Accountants  
**R N BARDHAN**  
Partner  
M. No.17270  
Firm Reg. No. 302034E



## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of fixed assets in a phased manner so as to cover all the assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the said programme, fixed assets other than Furniture & Fixtures were physically verified during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets.
2. (a) The inventory lying at all locations except in transit and with third parties has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory.
- (d) The discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence, clauses (iii) (b), (c) & (d) of the order are not applicable.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Hence, clauses (iii) (f) & (g) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchases of inventory, fixed assets and for the sale of goods and service. During the course of our audit, no major weakness has been noticed in the internal controls.
5. (a) On the basis of representation made by the management and scrutiny of books of accounts carried out by us, the particulars of contracts or arrangements that need to be entered in the Register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements required to be entered in the Register u/s 301 of Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to the information and explanations given to us and on the basis of our checking during the course of audit, the Company has not accepted any deposits from the public during the year.
7. In our opinion, the internal audit of Company carried out during the year by firms of Chartered Accountants appointed by the Company have been commensurate with the size of the Company and the nature of its business.
8. The Central Government has prescribed maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 for the products of the company and such accounts and records have been made and maintained by the company. However we have not made a detailed examination of the records with a view to determine whether they are accurate.
9. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were outstanding as at 31.03.2014 for a period of more than six months from the date they become payable.

- (b) According to the records of the Company, there are no dues of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess which have not been deposited on account of any dispute except: :-

Nature of Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Sales Tax	295183	2004-05	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	192731	2006-07	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	295782	2007-08	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	39001	2008-09	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	200650	2009-10	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
	230066	2010-11	Senior Joint Commissioner of Sales Tax, Dharamtala Circle, Kolkata
	1092282	2011-12	Senior Joint Commissioner of Sales Tax, Dharamtala Circle, Kolkata
	4328280	2011-12	The Appellate Authority-III, Commercial Taxes, Jaipur
	833939	2010-11	The Appellate Authority-III, Commercial Taxes, Jaipur
Entry Tax	1389401	2006-07, 2007-08 & 2008-09	Hon'ble High Court, Jaipur
	379100	2009-10	Dy. Commissioner (Appeals)-III, Jaipur
	538640	2010-11	Dy. Commissioner (Appeals)-III, Jaipur
Excise	520230	2010-11	Central Excise & Service Tax Appellate Tribunal, Kolkata

10. The Company has not incurred any cash loss during the financial year covered by our audit and the immediately preceding financial year and has no accumulated loss.
11. The Company has not defaulted in repayment of dues to financial institution or bank or debenture holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi or mutual benefit fund / society.
14. The Company has maintained proper records of the transactions and contracts in respect of dealing in shares & securities and timely entries have been made therein. All shares & securities have been held by the Company in its own name.
15. The Company has not given any guarantee for loan taken by others during the year.
16. According to the information and explanations given to us, term loans availed by the Company were, prima facie, applied during the year for the purposes for which the loans were obtained.
17. According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have prima facie, not been used during the year for long term investment.
18. The Company has not made any issue of shares during the year.
19. The Company has not issued debenture during the year.
20. The Company has not made any public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, no fraud on or by the company has been noticed or reported during the course of audit.

"INDIA STEAMSHIP HOUSE"  
21, Old Court House Street  
Kolkata - 700 001

The 17<sup>th</sup> day of May, 2014

For **S.S.KOTHARI & CO.**  
Chartered Accountants  
**R N BARDHAN**  
Partner  
M. No.17270  
Firm Reg. No. 302034E

## BALANCE SHEET

### AS AT 31<sup>st</sup> MARCH, 2014

	Notes	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
		Rupees	Rupees	Rupees	Rupees
<b>I EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds :</b>					
Share Capital	1	3,05,62,500		3,05,62,500	
Reserves and Surplus	2	39,31,08,776	42,36,71,276	39,22,55,690	42,28,18,190
<b>Non-current Liabilities :</b>					
Long-term borrowings	3	24,69,13,135		30,87,84,260	
Deferred tax liabilities (Net)	4	5,41,64,990		7,15,87,748	
Long-term provisions	5	1,10,28,692	31,21,06,817	95,28,474	38,99,00,482
<b>Current Liabilities :</b>					
Short-term borrowings	6	14,59,16,397		11,16,45,673	
Trade payables	7	7,71,28,412		6,96,84,592	
Other current liabilities	8	13,31,20,989		11,51,88,546	
Short-term provisions	9	4,18,31,923	39,79,97,721	3,64,58,007	33,29,76,818
<b>TOTAL</b>			<b>1,13,37,75,814</b>		<b>114,56,95,490</b>
<b>II ASSETS</b>					
<b>Non-current Assets :</b>					
<b>Fixed Assets</b>	10				
Tangible assets		46,76,83,470		56,39,94,652	
Capital work-in-progress		2,45,14,408		27,04,280	
Intangible assets under development		85,38,517	50,07,36,395	84,18,517	57,51,17,449
Non Current Investments	11	55,200		55,200	
Long-term loans and advances	12	25,76,023	26,31,223	44,79,010	45,34,210
<b>Current Assets :</b>					
Inventories	13	19,55,67,476		13,55,35,929	
Trade Receivables	14	32,45,09,303		36,30,27,941	
Cash and Bank Balances	15	5,32,64,027		89,23,034	
Short Term Loans and Advances	16	2,42,68,347		2,80,41,429	
Other Current Assets	17	3,27,99,043	63,04,08,196	3,05,15,498	56,60,43,831
<b>TOTAL</b>			<b>1,13,37,75,814</b>		<b>11,456,95,490</b>
Significant Accounting Policies and Notes on Financial Statement	1 to 37				

As per our Report Annexed

For **S.S.KOTHARI & CO.**  
Chartered Accountants

"INDIA STEAMSHIP HOUSE"  
21, Old Court House Street  
Kolkata - 700 001  
The 17<sup>th</sup> day of May, 2014

**R. N. BARDHAN**  
Partner  
M. No.17270  
Firm Reg. No. 302034E

For and on behalf of the Board

**Amit Dhanuka**  
Company Secretary

**B. K. Khaitan**  
Chairman cum  
Managing Director

**K. K. Khaitan**  
Jt. Managing Director

## STATEMENT OF PROFIT & LOSS

### FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

		For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Notes	Rupees	Rupees	Rupees	Rupees
<b>INCOME :</b>					
Revenue From Operations	18	1,00,30,48,547		90,75,98,126	
Less : Excise Duty		7,34,25,990	92,96,22,557	6,27,00,437	84,48,97,689
Other Income	19		28,79,994		60,64,727
<b>Total Revenue</b>			<b>93,25,02,551</b>		<b>85,09,62,416</b>
<b>EXPENSES :</b>					
Cost of materials consumed	20		24,81,31,625		20,07,04,002
Purchases of Stock-in-Trade			6,90,10,698		8,52,03,641
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21		(69,36,147)		(34,06,381)
Employee benefits expenses	22		17,60,02,714		14,32,83,406
Finance costs	23		3,99,46,272		3,91,30,543
Depreciation and amortization expenses	24		7,03,57,808		8,39,67,987
Other expenses	25		3,05,470,230		28,50,64,707
<b>Total Expenses</b>			<b>90,19,83,200</b>		<b>83,39,44,905</b>
<b>Profit before tax</b>			<b>3,05,19,351</b>		<b>1,70,17,511</b>
Tax expenses:					
Current tax		2,01,00,000		1,30,00,000	
Deferred tax		(1,74,22,758)		(1,21,37,427)	
		26,77,242		8,62,573	
Less: Earlier years adjustments(net)		20,81,268	5,95,974	11,379	8,51,194
<b>Profit for the year</b>			<b>2,99,23,377</b>		<b>1,61,66,317</b>
<b>Earnings per equity share:</b>	30				
Basic & Diluted			9.79		5.29
Significant Accounting Policies and Notes on Financial Statement	1 to 37				

This is the Statement of Profit and Loss referred to in our Report of even date.

For **S.S.KOTHARI & CO.**

Chartered Accountants

"INDIA STEAMSHIP HOUSE"

**R. N. BARDHAN**

21, Old Court House Street

Partner

Kolkata - 700 001

M. No.17270

The 17<sup>th</sup> day of May, 2014

Firm Reg. No. 302034E

For and on behalf of the Board

**Amit Dhanuka**  
Company Secretary

**B. K. Khaitan**  
Chairman cum  
Managing Director

**K. K. Khaitan**  
Jt. Managing Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extra ordinary items	305.19	170.18
<b>ADJUSTMENTS FOR :</b>		
Net prior period expenses	(5.78)	(4.87)
	<u>299.42</u>	<u>165.30</u>
<b>ADJUSTMENTS FOR :</b>		
Depreciation	703.58	839.65
(Profit) / Loss on sale of assets / Investments	(8.05)	9.33
Liabilities no longer required written back	(0.17)	(11.95)
Income from Interest	(10.55)	(15.19)
Interest expenses	389.61	388.36
Dividend Received	(0.06)	(0.10)
Fixed Assets written off	—	—
<b>OPERATING PROFIT BEFORE WORKING</b>	<u>1,074.35</u>	<u>1,210.09</u>
<b>CAPITAL CHANGES :</b>	1,373.76	1,375.39
<b>ADJUSTMENTS FOR :</b>		
Trade & other Receivables	366.30	(751.38)
Inventories	(600.32)	(247.00)
Trade payables	<u>120.58</u>	<u>204.13</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<u>1,260.34</u>	<u>581.14</u>
Direct Taxes Paid	<u>121.25</u>	<u>43.44</u>
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<u>1,381.58</u>	<u>624.59</u>
Net Prior Period Expenses	5.78	4.87
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>1,387.36</u>	<u>629.46</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(461.70)	(297.71)
Sale of Fixed Assets	226.71	10.48
Sale of Investment	—	0.01
Interest Received	10.55	15.19
Dividend Received	0.06	0.10
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(224.38)</u>	<u>(271.92)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	(600.79)	(792.90)
Proceeds from Short Term Borrowings	342.71	813.55
Interest Paid	(397.99)	(396.34)
Dividend Paid	(63.51)	(63.22)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(719.57)</u>	<u>(438.91)</u>
Net increase in cash and cash equivalents (A + B + C)	443.41	(81.37)
Opening cash and cash Equivalents	89.23	170.60
Closing cash and cash Equivalents	532.64	89.23

This is the Cash Flow Statement referred to in our report of even date.

For **S.S.KOTHARI & CO.**

Chartered Accountants

"INDIA STEAMSHIP HOUSE"

**R. N. BARDHAN**

21, Old Court House Street

Partner

Kolkata - 700 001

M. No.17270

The 17<sup>th</sup> day of May, 2014

Firm Reg. No. 302034E

For and on behalf of the Board

**Amit Dhanuka**  
Company Secretary

**B. K. Khaitan**  
Chairman cum  
Managing Director

**K. K. Khaitan**  
Jt. Managing Director

## **SIGNIFICANT ACCOUNTING POLICIES**

**Annexed to and forming part of the accounts for the year ended 31st March, 2014**

### **1 BASIS OF PREPARATION OF FINANCIAL STATEMENT**

- a) The accounts have been prepared on historical cost convention under accrual method of accounting and as a going concern concept.
- b) Accounting policies not specifically referred to otherwise are consistent and in accordance with the accounting principles generally accepted as recommended by The Institute of Chartered Accountants of India (ICAI).

### **2 REVENUE RECOGNITION :**

- a) Revenue is recognised on completion of sale and rendering of services.
- b) Income and expenditure are recognised on accrual basis. However, since it is not possible to ascertain with reasonable accuracy, the quantum of accrual in respect of interest recoverable from parties for delayed retirement of documents and leave travel allowance payable to employees, the same continue to be accounted for as and when received / settled. Customers' claims are accounted for as and when arise / settled on the basis of joint performance analysis/assessment.
- c) Sales constitutes Paper Mills Products, Wind Power, etc and includes packing charges, excise duty and sales tax are net of discounts & returns in respect of earlier years.
- d) Export Incentives are recognised on post export basis on entitlement rates.
- e) Government grants are recognised on receipt / reasonable ascertainment of ultimate collection thereof.

### **3 USE OF ESTIMATES**

The preparation of financial statements requires estimates to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

### **4 FIXED ASSETS AND DEPRECIATION & AMORTISATION**

- a) Tangible Assets (other than those which have been revalued) are stated at cost of acquisition or construction inclusive of freight, duties and other directly attributable costs of bringing the assets in its working condition for its intended use, less depreciation. In case of revalued assets, as at the close of the year, the book value is also inclusive of revaluations made.
- b) Depreciation on all tangible assets other than Wind Power Plants is provided on "straight line method" and on Wind Power Plant on "Written down value method" as per the rates prescribed in Schedule XIV to the Companies Act, 1956.
- c) Amortisation of Intangible Assets includes (a) leasehold land over the period of lease and (b) Computer software in the year of purchase / use.
- d) Insurance claims for damaged capital goods are accounted for on settlement of claims as per practice.
- e) Pre-operative expenditure are allocated on the respective assets in the year of capitalisation.

### **5 BORROWING COST :**

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as a part of cost of such assets. All other borrowing costs are charged to revenue.

### **6 INVESTMENTS :**

Investments intended to be held for more than a year from the date of acquisition are classified as long term investments and are carried at cost. Provision for diminution in value of investments is made to recognise a decline, other than temporary in the value of investments. Investments other than the long term investments being current investments are valued at cost or market value whichever is lower.

### **7 INVENTORIES :**

- a) Inventories are valued at lower of cost or net realisable value. Cost of stores and spares, raw materials, packing materials, trading and other products is determined on weighted average basis except Raw Material at Jaipur Unit which is valued at specific cost. Scrap is valued at estimated market value. Cost of Finished Stock and Work-in-Progress for woven wire cloth is determined on absorption costing method. Value of Finished Goods includes Excise Duty.
- b) Provisions are made on determination of obsolete and unserviceable stocks found on physical verification.



**8 RESEARCH AND DEVELOPMENT EXPENDITURE :**

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred under respective heads of accounts. Expenditure which results in the creation of capital assets is capitalised and depreciation is provided on such assets as applicable.

**9 EMPLOYEE BENEFITS :**

- a) Employee benefits in the form of Provident Fund, ESIC and Labour Welfare Fund are considered as defined contribution plan and the contributions to recognised funds are charged to the Profit and Loss Account of the year when the contributions are due, as per the provisions of respective statutes. The company has no further obligations beyond its stipulated contributions. Other short term employee benefits are recognised as expenses at the un-discounted amount in the Profit & Loss Account of the year in which the related service is rendered. Termination benefits are recognised as an expenses as and when paid.
- b) The Gratuity liability in respect of employees of the Company (except wholetime Directors and new employees ) is covered through a policy taken by a trust established under the Group Gratuity Scheme with Life Insurance Corporation of India (LIC). The liability is determined and provided for based on an actuarial valuation performed by LIC.
- c) Provision for leave encashment and Gratuity liability of wholetime Directors and new employees , which are defined benefits has been ascertained on an actuarial valuation performed by an independent actuary as at the Balance Sheet date.

**10 FOREIGN CURRENCY TRANSACTIONS :**

Exchange difference arising from foreign currency transactions relating to import/export of goods are dealt with in the Profit and Loss Account. Foreign Currency assets and liabilities are restated at the rates ruling at the end of the year and exchange difference arising out of such transactions are dealt with in the Profit and Loss Account.

**11 SEGMENT ACCOUNTING :**

- a) The accounting policies applicable to the reportable segments are same as those used in the preparation of the financial statements.
- b) Items of Income and Expenditure, Assets and Liabilities (including Advance Tax, Borrowings, Provision for Taxation and Deferred Tax Liability ) which are not directly attributable / identifiable / allocable on a reasonable basis to a business segment are shown as unallocated.

**12 TAXATION :**

- a) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961 and also considering assessment orders and decisions of appellate authorities in the Company's case. Minimum Alternate Tax (MAT) is paid in accordance with the tax law. This gives rise to future economic benefit in the form of tax credit against future income tax liability. The company reviews the position of the MAT credit entitlements at each balance sheet date and recognises the same, if there is convincing evidence that the company will utilise the same for payment of normal tax during the specified period and the resultant credit can be measured reliably.
- b) Deferred tax for timing differences between tax profit and book profit is accounted for using the tax rates and laws that have been enacted or subsequently enacted as on the Balance Sheet date. Deferred tax assets are recognised to the extent there is reasonable certainty that these assets can be realised in future.

**13 IMPAIRMENT OF ASSETS :**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**14 PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS :**

- a) Provisions are recognised when there is a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at each balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the best current estimate.
- b) Contingent Liabilities are not provided for in the accounts and are separately shown in the Notes on Accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 1 : SHARE CAPITAL

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
<b>Authorised :</b>				
25000000 Equity Shares of Rs.10/-each	25,00,00,000		25,00,00,000	
1000000 Redeemable Preference Shares of Rs.10/- each	1,00,00,000	26,00,00,000	1,00,00,000	26,00,00,000
		26,00,00,000		26,00,00,000
<b>Issued, Subscribed and Fully Paid up :</b>				
3056250 Equity Shares of Rs.10/-each		3,05,62,500		3,05,62,500
		3,05,62,500		3,05,62,500

#### 1.1 Reconciliation of number of Equity Shares outstanding is given below :

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	30,56,250	3,05,62,500	30,56,250	3,05,62,500
Change during the year	—	—	—	—
Shares outstanding at the end of the year	30,56,250	3,05,62,500	30,56,250	3,05,62,500

#### 1.2 Rights attached to Equity Shares

The Company has only one class of shares ( Issued), having face value of Rs. 10/- each. Each holder of Equity Shares is entitled to one vote per share. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity Shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- 1.3 The Board of Directors at its meeting held on 17.05.2014 has recommended Dividend of Rs. 1.80 per equity share for the year.

#### 1.4 Shares held by holding company and its associates

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Number	% held	Number	% held
<b>Equity Shares</b>				
W&F Securities Pvt. Limited - Holding Company	16,93,969	55.43%	16,93,969	55.43%
Associates of the Holding Company	597,087	19.54%	597,087	19.54%

#### 1.5 Details of shareholders holding more than 5% shares

Particulars	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Number	% held	Number	% held
Equity Shares				
W&F Securities Pvt. Limited	16,93,969	55.43%	16,93,969	55.43%
BKM Mercantile Pvt. Limited	347,642	11.37%	347,642	11.37%

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 2 : RESERVES & SURPLUS

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
<b>General Reserve :</b>				
As per last Account	5,00,00,000		4,75,00,000	
Add: Transfer from Profit & Loss Account	<u>25,00,000</u>	5,25,00,000	<u>25,00,000</u>	5,00,00,000
<b>Capital Reserve:</b>				
As per last Account		9,250		9,250
<b>Security Premium Account :</b>				
As per last Account		3,05,62,500		3,05,62,500
<b>Revaluation Reserve :</b>				
As per last account	7,29,44,427		10,14,30,300	
Less : Transfer to Profit & Loss Account				
Disposal of Fixed Assets	3,403		1,58,178	
Depreciation	<u>2,83,24,481</u>	4,46,16,543	<u>2,83,27,695</u>	7,29,44,427
<b>Surplus (Profit &amp; Loss Account) :</b>				
Balance as per last account	23,87,39,513		22,13,04,392	
Add: Profit for the year (as per Annexed Statement of Profit & Loss )	2,99,23,377		1,61,66,317	
Add: MAT Credit Entitlement (Refer Note 16.1)	56,93,781		95,97,042	
Add: Reversal of Provision for doubtful debts	—		5,65,452	
<b>Surplus Available for Appropriation</b>	<u>27,43,56,671</u>		<u>24,76,33,203</u>	
<b>Less : Appropriations</b>				
Proposed Dividend	55,01,250		55,01,250	
Provision for Tax on Proposed Dividend	9,34,938		8,92,440	
Transfer to General Reserve	<u>25,00,000</u>	26,54,20,483	<u>25,00,000</u>	23,87,39,513
		<u>39,31,08,776</u>		<u>39,22,55,690</u>

### NOTE 3 : LONG TERM BORROWINGS

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees Non Current	Rupees Current	Rupees Non Current	Rupees Current
<b>Secured</b>				
Term Loans from Banks	24,69,13,135	6,93,71,500	30,87,84,260	6,75,79,000
	<u>24,69,13,135</u>	<u>6,93,71,500</u>	<u>30,87,84,260</u>	<u>6,75,79,000</u>
<b>3.1</b> Term Loans from banks are secured by joint equitable mortgage of immovable properties, present and future, ranking pari passu and hypothecation of fixed assets and second charge over current assets of the company.				
<b>3.2</b> Term Loans from banks are re-payable in quarterly installments, maturity profile are given here in under:				Beyond
	1-2 Year	2-3 Year	3-4 Year	4 Years
Maturity profile	8,50,46,875	1,08,000,000	5,38,66,260	Nil

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 4 : DEFERRED TAX LIABILITIES (NET)

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
<b>Deferred Tax Liability</b>				
Difference between book and tax depreciation		6,47,63,739		7,98,28,977
<b>Less : Deferred Tax Assets</b>				
Disallowances under the Income Tax Act, 1961		1,05,98,749		82,41,229
		<u>5,41,64,990</u>		<u>7,15,87,748</u>

### NOTE 5 : LONG TERM PROVISIONS

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Provision for Employee's Benefits ( Refer Note 31)				
		1,10,28,692		95,28,474
		<u>1,10,28,692</u>		<u>95,28,474</u>

### NOTE 6 : SHORT TERM BORROWINGS

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
<b>Secured and Payable on Demand</b>				
Working Capital Loans from Banks		14,59,16,397		11,16,45,673
		<u>14,59,16,397</u>		<u>11,16,45,673</u>

6.1 Working Capital Loans from banks are secured against hypothecation of raw materials, finished goods, work-in-process, packing materials, book debts, bills for collection and other current assets and second pari passu charge over fixed assets of the company.

### NOTE 7 : TRADE PAYABLES

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
<b>Trade Payables</b>				
Due to Micro, Small and Medium Enterprises	12,68,421		49,23,658	
Others	<u>7,58,59,991</u>	<u>7,71,28,412</u>	<u>6,47,60,934</u>	<u>6,96,84,592</u>
		<u>7,71,28,412</u>		<u>6,96,84,592</u>

7.1 Based on the information received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information are as follows :-

i)	Amount due to Micro, Small and Medium Enterprises (MSME) :		
	Principal amount	12,68,421	49,23,658
	Interest due on above and unpaid	Nil	Nil
ii)	Interest paid alongwith principal amount paid beyond appointed day during the year.	Nil	Nil
iii)	Interest due and payable for the period of delay on principal amount paid beyond appointed day / due date during the year.	Nil	Nil
iv)	Interest accrued and remaining unpaid	Nil	Nil
v)	Further interest remaining due and payable for the succeeding year.	Nil	Nil

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 8 : OTHER CURRENT LIABILITIES

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Current Maturities of long term debts ( Refer Note 3 )		6,93,71,500		6,75,79,000
Interest accrued but not due on borrowings		33,88,876		42,26,910
Unclaimed Dividend		10,35,911		9,50,315
Other Payables		5,93,24,702		4,24,32,321
		<u>13,31,20,989</u>		<u>11,51,88,546</u>

8.1 Unclaimed Dividend does not include any amount, due and outstanding, to be credited to Investor Education & Protection Fund.

8.2 Other payables include :

a. Creditors for Capital Goods	1,11,94,387	40,96,035
b. Advance from Customers	1,56,09,418	1,01,40,492
c. Statutory Dues	80,23,173	47,61,988

### NOTE 9 : SHORT TERM PROVISIONS

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Provision for Employee's Benefits ( Refer Note 31 )		1,70,78,705		1,27,53,365
Provision for Income Tax (net)		18,55,783		—
Provision for Wealth Tax		1,52,639		1,48,023
Proposed Dividend		55,01,250		55,01,250
Tax on Proposed Dividend		9,34,938		8,92,440
Other Provisions		1,63,08,608		1,71,62,929
		<u>4,18,31,923</u>		<u>3,64,58,007</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 10 : FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
DESCRIPTION OF ASSETS	As At 31 <sup>st</sup> March 2013 Rupees	Additions During the year Rupees	Deductions During the year Rupees	As at 31 <sup>st</sup> March 2014 Rupees	Upto 31 <sup>st</sup> March 2013 Rupees	For the Year Rupees	Deductions During the year Rupees	Upto 31 <sup>st</sup> March 2014 Rupees	As at 31 <sup>st</sup> March 2014 Rupees	As at 31 <sup>st</sup> March 2013 Rupees
<b>10.1 Tangible Assets</b>										
Leasehold Land	31,58,205	—	—	<b>31,58,205</b>	4,75,868	1,65,872	—	<b>6,41,740</b>	<b>25,16,465</b>	26,82,337
Freehold Land	15,00,000	—	15,00,000	—	—	—	—	—	—	15,00,000
Buildings	5,62,40,814	68,15,175	6,35,600	<b>6,24,20,389</b>	1,53,57,172	16,90,447	—	<b>1,70,47,619</b>	<b>4,53,72,770</b>	4,08,83,642
Plant & Machinery & Electric Installations	1,30,30,70,178	90,48,571	6,20,75,821	<b>1,25,00,42,928</b>	82,63,85,127	9,10,98,218	4,35,59,351	<b>87,39,23,994</b>	<b>37,61,18,934</b>	47,66,85,051
Furniture and Fixtures	1,16,85,457	6,59,015	—	<b>1,23,44,472</b>	58,23,917	5,56,702	—	<b>63,80,619</b>	<b>59,63,853</b>	58,61,540
Office Equipments etc	3,76,18,215	33,31,462	1,01,584	<b>4,08,48,093</b>	19894,850	27,32,285	39,127	<b>2,25,88,008</b>	<b>1,82,60,085</b>	1,77,23,365
Vehicles	24,453,227	43,27,368	21,67,214	<b>2,66,13,381</b>	57,94,510	23,80,092	10,12,584	<b>71,62,018</b>	<b>1,94,51,363</b>	1,86,58,717
Sub Total ( a )	1,43,77,26,096	2,41,81,591	6,64,80,219	<b>1,39,54,27,468</b>	87,37,31,444	9,86,23,616	4,46,11,062	<b>92,77,43,998</b>	<b>46,76,83,470</b>	56,39,94,652
<b>10.2 Intangible Assets</b>										
Softwares	3,66,71,530	58,673	—	<b>3,67,30,203</b>	3,66,71,530	58,673	—	<b>3,67,30,203</b>	—	—
Sub Total (b)	3,66,71,530	58,673	—	<b>3,67,30,203</b>	3,66,71,530	58,673	—	<b>3,67,30,203</b>	—	—
<b>TOTAL ( a + b )</b>	<b>1,47,43,97,626</b>	<b>2,42,40,264</b>	<b>6,64,80,219</b>	<b>1,43,21,57,671</b>	<b>91,04,02,974</b>	<b>9,86,82,289</b>	<b>4,46,11,062</b>	<b>96,44,74,201</b>	<b>46,76,83,470</b>	<b>56,39,94,652</b>
PREVIOUS YEAR	1,43,69,83,814	4,47,33,530	73,19,718	1,47,43,97,626	80,33,22,852	11,22,92,681	52,12,559	91,04,02,974	56,39,94,652	
<b>10.3 Capital Work-in -Progress</b>									<b>2,45,14,408</b>	27,04,280
<b>10.4 Intangible assets under development</b>									<b>85,38,517</b>	84,18,517
<b>10.5 a)</b>	The Gross Block of Fixed Assets includes Rs. 20,77,80,730 (Previous year Rs. 20,77,80,730) on account of revaluation of Fixed Assets. Consequent to the said revaluation an additional charge of depreciation of Rs. 2,83,24,481 (previous year Rs. 2,83,27,695) during the year, which is set off by withdrawing the equivalent amount from Revaluation Reserve. This has no impact on profit for the year.									
<b>b)</b>	Capital Work-in-Progress includes Project & Pre-Operative Expenditure Rs. 36,78,385 (Previous year Rs. 27,04,280), pending allocation.									
<b>c)</b>	Intangible Assets under development includes Project & Pre-Operative Expenditure Rs.4,73,758 (Previous year Rs. 3,53,788), pending allocation.									
<b>d)</b>	Title deed for premises purchased / acquired at New Delhi is yet to be transferred in company's name.									

### NOTE 11 : NON CURRENT INVESTMENTS

Particulars	Face Value Rupees	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
		Nos.	Book Value Rupees	Nos.	Book Value Rupees
<b>11.1 OTHER INVESTMENTS (QUOTED - At cost)</b>					
In Fully paid-up Equity Shares					
Indian Overseas Bank	10	<b>2,300</b>	<b>55,200</b>	2,300	55,200
<b>Total</b>			<b>55,200</b>		55,200
<b>11.2 Market Value of Quoted Investments</b>			<b>1,17,300</b>		1,49,615



## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 12 : LONG TERM LOANS AND ADVANCES (Unsecured and considered good)

	<u>As at 31<sup>st</sup> March, 2014</u>		<u>As at 31<sup>st</sup> March, 2013</u>	
	Rupees	Rupees	Rupees	Rupees
Capital Advances		5,87,500		25,59,456
Security Deposits		19,88,523		19,19,554
		<u>25,76,023</u>		<u>44,79,010</u>

### NOTE 13 : INVENTORIES

	<u>As at 31<sup>st</sup> March, 2014</u>		<u>As at 31<sup>st</sup> March, 2013</u>	
	Rupees	Rupees	Rupees	Rupees
Raw Materials		9,81,75,899		6,81,58,635
Work-In-Progress		4,27,45,897		3,70,91,494
Finished Goods		82,79,438		56,70,955
Traded Goods		47,73,712		61,51,694
Stores, Spare and Packing Materials		4,11,17,032		1,80,38,896
Scrap		4,75,498		4,24,255
		<u>19,55,67,476</u>		<u>13,55,35,929</u>

#### 13.1 The above include

a) Materials in transit :				
Raw Materials		3,71,97,401		2,49,59,105
Trading Goods		4,79,460		25,50,782
Stores, Spare and Packing Materials		37,54,043		1,44,104

### NOTE 14 : TRADE RECEIVABLES (Unsecured and Unconfirmed)

	<u>As at 31<sup>st</sup> March, 2014</u>		<u>As at 31<sup>st</sup> March, 2013</u>	
	Rupees	Rupees	Rupees	Rupees
Trade Receivable outstanding for a period exceeding six months from the date they are due for payment :				
Considered Good	3,87,88,654		5,98,76,279	
Considered Doubtful	40,96,954		39,44,839	
	<u>4,28,85,608</u>		<u>6,38,21,118</u>	
Less : Provision for Doubtful Debts	<u>40,96,954</u>	3,87,88,654	<u>39,44,839</u>	5,98,76,279
<b>Others</b>				
Considered Good		28,57,20,649		30,31,51,662
		<u>32,45,09,303</u>		<u>36,30,27,941</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 15 : CASH AND BANK BALANCES

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
<b>Cash and Cash Equivalent</b>				
<b>Balances with Banks :</b>				
In Current Account		3,13,76,429		64,75,644
Cheques on Hand		38,184		7,91,248
Cash on Hand		8,27,414		7,56,142
<b>Other Bank Balance</b>				
On Fixed Deposit Accounts		2,10,22,000		9,00,000
		<u>5,32,64,027</u>		<u>89,23,034</u>

**15.1** Balance with Banks includes Unclaimed Dividend of Rs. 10,35,911 (Previous year Rs. 9,50,315)

**15.2** Fixed Deposits Receipts for Rs. 2,10,22,000 (Previous year Rs. 9,00,000) are pledged with Banks as Security and having maturity of more than 12 months.

### NOTE 16 : SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Advance Tax (Net)		—		51,28,570
Balance with Central Excise Department		52,10,779		30,16,279
Other Loans & Advances		1,90,57,568		1,98,96,580
		<u>2,42,68,347</u>		<u>2,80,41,429</u>

**16.1** Advance Tax shown as net of tax provisions and after adjustment of MAT credit entitlement Rs. 56,93,781 (Previous year Rs. 95,97,042).

### NOTE 17 : OTHER CURRENT ASSETS (Considered Good)

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Claims, Subsidy, Benefits etc. receivable		3,27,99,043		3,05,15,498
		<u>3,27,99,043</u>		<u>3,05,15,498</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 18 : REVENUE FROM OPERATIONS

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Sale of Finished & Trading goods	99,74,82,393		90,33,00,902	
Income from Services	4,43,840		1,00,000	
Other operating Revenues	51,22,314	1,00,30,48,547	41,97,224	90,75,98,126
Less : Excise Duty		7,34,25,990		6,27,00,437
		<u>92,96,22,557</u>		<u>84,48,97,689</u>

### NOTE 19 : OTHER INCOME

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
<b>Interest</b>				
On Fixed Deposits	9,02,480		95,353	
From Others	1,52,763	10,55,243	14,23,870	15,19,223
<b>Dividend</b>		6,210		10,350
<b>Miscellaneous Income</b>		4,18,462		4,15,571
<b>Exchange Gain (net)</b>		—		24,36,947
<b>Adjustment in respect of earlier years (net)</b>		5,77,835		4,87,401
<b>Profit on Sale of Assets (net)</b>		8,05,192		—
<b>Liabilities no longer required written back</b>		17,052		11,95,235
		<u>28,79,994</u>		<u>60,64,727</u>

### NOTE 20 : COST OF MATERIAL CONSUMED

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	% of Consumption	Rupees	% of Consumption
Imported	19,29,99,889	77.78%	15,40,76,290	76.77%
Indigenous	5,51,31,736	22.22%	4,66,27,712	23.23%
	<u>24,81,31,625</u>		<u>20,07,04,002</u>	

#### 20.1 Particulars of Material Consumed :

Monofilament yarn	10,70,35,026	8,86,96,228
Chemicals	13,23,55,538	10,34,63,628
Others	87,41,061	85,44,146

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 21 : CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK IN PROGRESS AND STOCK IN TRADE

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
<b>Inventories ( at close)</b>				
Finished Goods	82,79,438		56,70,955	
Stock-in-Trade	47,73,712		61,51,694	
Work-in-Progress	4,27,45,897		3,70,91,494	
Scrap	4,75,498		4,24,255	
	<u>5,62,74,545</u>		<u>4,93,38,398</u>	
<b>Inventories (at commencement)</b>				
Finished Goods	56,70,955		76,05,203	
Stock-in-Trade	61,51,694		21,26,648	
Work-in-Progress	3,70,91,494		3,57,32,280	
Scrap	4,24,255		4,67,886	
	<u>4,93,38,398</u>		<u>4,59,32,017</u>	
<b>Change in Inventories</b>		<u>(69,36,147)</u>		<u>(34,06,381)</u>

### NOTE 22 : EMPLOYEES BENEFITS EXPENSES

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Salaries, Wages, Bonus etc.		16,45,02,510		13,22,83,924
Contribution to Provident, Gratuity and Other funds (Refer Note 31)		85,76,185		73,19,464
Employees Welfare Expenses		29,24,019		36,80,018
		<u>17,60,02,714</u>		<u>14,32,83,406</u>

### NOTE 23 : FINANCE COST

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
<b>Interest Expenses</b>				
On Long Term Loans	2,62,43,458		3,28,93,955	
To Others	1,27,17,119	3,89,60,577	59,42,010	3,88,35,965
<b>Other Borrowing costs</b>		9,85,695		2,94,578
		<u>3,99,46,272</u>		<u>3,91,30,543</u>

### NOTE 24 : DEPRECIATION AND AMORTISATION EXPENSES

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Depreciation and amortisation (Refer Note 10)	98,682,289		11,22,92,682	
Less : Transferred from Revaluation Reserve (Refer Note 10.5)	28,324,481	70,357,808	2,83,27,695	8,39,64,987
		<u>70,357,808</u>		<u>8,39,64,987</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 25 : OTHER EXPENSES

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Consumption of Stores & Spare		2,10,83,148		2,65,04,564
Packing		3,99,62,753		3,95,27,662
Power and Fuel		1,46,07,504		2,39,30,507
Job Charges		1,96,50,108		1,75,07,245
Plant & Machinery Repairs		55,65,946		63,21,878
Freight & Forwarding Charges		1,80,77,632		1,35,70,389
Sales Commission		1,53,22,593		1,33,26,051
Rebate on Sales and Compensation		1,27,81,063		99,92,037
Sales Tax		1,35,32,959		1,19,95,605
Rent		29,48,543		25,03,474
Rates & Taxes (excluding taxes on Income)		8,89,556		13,11,227
Insurance		80,56,790		78,49,258
Building & Road Repairs		87,97,228		42,71,254
Travelling & Conveyance Expenses		3,88,84,134		3,96,73,386
Exchange loss (net)		54,60,146		—
Miscellaneous Expenses		7,79,73,902		6,52,52,155
Sundry Balances Adjusted (net)		18,76,225		5,94,966
Loss on Sale of Fixed Assets (net)		—		9,01,208
Loss on Sale of Investment		—		31,841
		<b>30,54,70,230</b>		<b>28,50,64,707</b>

#### 25.1 Value of Stores and Spares Consumed

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	% of Consumption	Rupees	% of Consumption
Imported	1,11,66,831	52.97%	1,58,02,273	59.62%
Indigenous	99,16,317	47.03%	1,07,02,291	40.38%
	<b>2,10,83,148</b>		<b>2,65,04,564</b>	

#### 25.2 Miscellaneous Expenses include :-

	Rupees	Rupees
(a) Fees and out-of-pocket expenses paid / payable to Auditors.		
i) For Services as Auditors	1,80,000	1,92,360
ii) For Certifications	39,000	53,075
iii) For Company Law Matters	—	15,309
iv) Reimbursement of Expenses	54,950	54,940
	<b>2,73,950</b>	<b>3,15,684</b>
(b) Difference between excise duty on opening and closing stock of finished goods	4,51,424	(1,51,164)
(c) Bad Debts written off	14,54,384	7,76,556
(d) Directors' fees	4,50,000	3,40,000

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 26 VALUE OF IMPORTS CALCULATED ON CIF BASIS :

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Raw Materials		18,70,25,093		13,89,43,632
Stores & Spare Parts		1,62,23,796		1,58,67,883
Capital Goods		2,58,53,601		17,20,668

### 27 EXPENDITURE IN FOREIGN CURRENCY :

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Professional Services		60,53,678		45,46,190
Interest		2,87,107		6,76,462
Other Matters		3,28,17,117		3,54,42,956

### 28 EARNINGS IN FOREIGN EXCHANGE :

	For the Year Ended 31 <sup>st</sup> March, 2014		For the Year Ended 31 <sup>st</sup> March, 2013	
	Rupees	Rupees	Rupees	Rupees
Export of goods on FOB basis		26,54,77,799		24,16,43,050
Other Income		65,311		—

### 29 CONTINGENT LIABILITIES AND COMMITMENTS ( to the extent not provided for) :

#### 29.1 Contingent Liabilities :

- Guarantees issued by banks for Rs. 24,35,721 (Rs. 17,33,182)
- Letters of Credits issued by banks for Rs. 70,60,879 (Rs. 1,19,41,083)
- Claims against the Company not acknowledged as debt Rs. 6,47,109 (Rs. 6,20,949)
- Demands / Claims by various Government Authorities not acknowledged as debt :
  - Sales Tax and Entry Tax Rs. 98,15,055 (Rs. 46,91,661) pending appeals on account of non submission of declaration forms and other matters.
  - Excise Duty Rs. 5,20,230 (Rs. 5,20,230) pending appeals.
  - Income Tax Rs. Nil (Rs. 11,21,533) pending rectification.

#### 29.2 Commitments :

- Estimated amount of Contract remaining to be executed on capital account, not provided for Rs. 24,63,196 (Rs. 25,59,456) advances paid Rs. 5,87,500 (Rs. 25,59,456).

### 30 EARNING PER SHARE ( EPS) :

a) Weighted average number of Equity shares of Rs.10/- each		
Number of shares at the beginning of the year	30,56,250	30,56,250
Shares issued during the year	—	—
Total Number of equity shares outstanding at the end of the year	30,56,250	30,56,250
Weighted average number of equity shares outstanding during the year	30,56,250	30,56,250
b) Net profit after tax available for equity share holders	2,99,23,377	1,61,66,317
c) Basic and Diluted earning per share (Rs.)	9.79	5.29



## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 31 EMPLOYEES BENEFITS :

a) As per the Accounting Standard 15 "Employee benefit" the disclosures as defined in Accounting Standard are given below:

i) Defined Contribution Plans

Contribution to Defined Contribution Plans are recognised as expenses and charged off in Profit & Loss Account.

ii) Defined Benefit Plans

Employees Gratuity Fund Scheme and Leave encashment are considered as defined benefit plans. The present value of obligation are recognised as per the actuarial valuation.

iii) The Employee Gratuity Fund Scheme is managed by Life Insurance Corporation of India (LIC). The following figures are as per actuarial valuation report performed by LIC and recognised in the financial statements :

	<u>As on 31.03.2014</u>	<u>As on 31.03.2013</u>
a) Assumptions		
Discount Rate	8%	8%
Salary Escalation	7%	7%
b) Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	73,15,675	74,80,895
Interest cost	5,85,254	5,98,472
Current Service Cost	7,08,794	6,62,269
Benefits Paid	-2,98,560	-9,85,154
Actuarial (gain)/Loss on obligations	-7,13,324	-4,40,807
Present value of obligations as at end of year	75,97,839	73,15,675
c) Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	39,78,836	39,31,663
Expected return on plan assets	3,39,501	3,23,533
Contributions	6,61,515	7,08,794
Benefits paid	-2,98,560	-9,85,154
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	46,81,292	39,78,836
d) Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	39,78,839	39,31,663
Actual return on plan assets	3,39,501	3,23,533
Contributions	6,61,515	7,08,794
Benefits Paid	-2,98,560	-9,85,154
Fair value of plan assets at the end of year	46,81,292	39,78,836
Funded status	-29,16,547	-33,36,839
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
e) Actuarial Gain/Loss recognized		
Actuarial gain/(Loss) for the year -Obligation	7,13,324	4,40,807
Actuarial (gain)/Loss for the year - plan assets	NIL	NIL
Total (gain)/Loss for the year	-7,13,324	-4,40,807
Actuarial (gain)/Loss recognized in the year	-7,13,324	-4,40,807
f) The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	75,97,839	73,15,675
Fair value of plan assets as at the end of the year	46,81,292	39,78,836
Funded status	-29,16,547	-33,36,839
Net Asset/(liability) recognized in balance sheet	29,16,547	33,36,839

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### g) Expenses Recognised in Statement of Profit & Loss

Current Service cost	7,08,794	6,62,269
Interest Cost	5,85,254	5,98,472
Expected return on plan assets	-3,39,501	-3,23,533
Net Actuarial (gain)/Loss recognised in the year	-7,13,324	-4,40,807
Expenses recognised in Statement of Profit & Loss	2,41,223	4,96,401

b) The Company has paid the managerial remuneration arrears as per of the approval The Central Government, Ministry of Corporate Affairs during the year.

32 Purchase of Raw Materials includes transfer from Trading Goods Rs. 2,21,33,927 (Rs. 1,86,68,378).

### 33 SEGMENT INFORMATION :

i) The Company is organised into two main business segments :

a) Paper Mill Products - Comprising of Technical Textiles Finished Woven Wire Cloth, Chemicals and Equipments mainly for Paper Mills.

b) Wind Power - Comprising of Wind Power

Segment has been identified and reported after taking into account the class of customers for the products & services, the differing risks & returns and the organisation structure.

ii) Segment revenue includes sales, income from services rendered and export incentives. Inter-segment revenue is recognised on the basis of prevailing market rates.

iii) Segment revenues, results, assets and liabilities include the respective amounts identifiable to reportable segments and amounts allocated on a reasonable basis.

#### 33.1 a) Segment Information about Primary Business Segment :

	Paper Mill Products (Rupees)	Wind Power (Rupees)	Total (Rupees)
Revenue			
External	91,13,97,600 (81,79,29,929)	1,82,24,957 (2,69,67,760)	92,96,22,557 (84,48,97,689)
Inter segment sales	— (—)	9,76,928 (10,60,450)	9,76,928 (10,60,450)
Total Revenue	91,13,97,600 (81,79,29,929)	1,92,01,885 (2,80,28,210)	93,05,99,485 (84,59,58,139)
Result			
Segment result (before interest and tax)	12,80,22,560 (9,55,87,669)	(37,35,773) (-14,75,047)	12,42,86,787 (9,41,12,622 )
Unallocated expenditure net of unallocated Income			5,58,62,102 (3,97,78,369)
Operating Profit			6,84,24,685 (5,43,34,253)
Interest Expenses			3,89,60,577 (3,88,35,965)
Interest Income			10,55,243 (15,19,223)
Profit before Taxation and exceptional items			3,05,19,351 (17,017,511)
Provision for Taxation			5,95,974 (8,51,194)
Profit after taxation and before exceptional items			2,99,23,377 (1,61,66,317)
Exceptional Items			— (—)
Net Profit			2,99,23,377 (1,61,66,317)

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

	Paper Mill Products (Rupees)	Wind Power (Rupees)	Total (Rupees)
Segment Assets	9,59,51,73,88 (96,50,26,767)	10,02,27,766 (14,62,26,744)	1,05,97,45,154 (1,11,12,53,511)
Unallocated Assets			9,63,71,831 (5,13,86,818)
Total Assets			1,15,61,16,985 (1,16,26,40,329)
Segment Liabilities	15,05,50,112 (13,19,29,989)	— (6,47,543)	15,05,50,112 (13,25,77,532)
Unallocated Liabilities			58,18,95,597 (60,72,44,607)
Total Liabilities			73,24,45,709 (73,98,22,139)
<b>Other Information</b>			
Capital Expenditure	2,42,40,264 (4,47,33,530)	— (—)	2,42,40,264 (4,47,33,530)
Unallocated Capital Expenditure			— (—)
Total Capital Expenditure			2,42,40,264 (4,47,33,530)
Depreciation	5,16,80,044 (6,01,53,470)	1,86,77,764 (2,38,11,517)	7,03,57,808 (8,39,64,987)
Unallocated Depreciation			— (—)
Total Depreciation			7,03,57,808 (8,39,64,987)
Non-cash expenses other than depreciation			— (—)

### 33.1 b) Information about Secondary Business Segment :

- i) The segment revenue in the geographical segment considered for disclosure are as follows :
  - a) Revenue within India includes sales to customers located within India and earnings in India.
  - b) Revenue outside India includes sales to customers located outside India and earnings outside India.
- ii) The Company has no assets located outside India.

	India Rupees	Outside India Rupees	Total Rupees
Revenue by geographical Market			
External	65,98,86,974 (60,08,48,371)	26,97,35,583 (24,40,49,318)	92,96,22,557 (84,48,97,689)
Intersegment	9,76,928 (10,60,450)	— (—)	9,76,928 (10,60,450)
<b>TOTAL</b>	<b>66,08,63,902</b> (60,19,08,821)	<b>26,97,35,583</b> (24,40,49,318)	<b>93,05,99,485</b> (84,59,58,139)

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

**34 Information regarding related parties as required by Accounting Standard 18 issued by the Institute of Chartered Accountants of India are given below :**

**34.1 Names of the related parties with whom transactions were carried out during the year and description of relationship:**

**a) Enterprises over which Key Management Personnel exercises significant influence :**

- i) Kingsley Industries Ltd.
- ii) WMW Metal Fabrics Ltd.
- iii) W & F Securities Pvt. Ltd. ( Holding Company)
- iv) WMW Mercantile Pvt. Ltd.
- v) Nathmall Jankilal

**b) Key Management personnel**

- i) Mr. B K Khaitan
- ii) Mr. K K Khaitan
- iii) Mr. M K Khaitan

**c) Relatives of Key Management personnel**

- i) Mr. Devesh Khaitan S/o. Mr. K.K. Khaitan
- ii) Mr. Madhur Krishna Khaitan S/o. Mr. B.K. Khaitan

**34.2 The following transactions were carried out with the related parties in the ordinary course of business**

**a) Details relating to parties referred to in item 1(a) above**

	<b>For the Year Ended 31<sup>st</sup> March, 2014 Rupees</b>	<b>For the Year Ended 31<sup>st</sup> March, 2013 Rupees</b>
i) Purchase and receiving of Services	<b>9,80,63,425</b>	10,85,77,157
ii) Sale and rendering of Services	<b>2,45,029</b>	31,60,301
iii) Rent Paid	<b>13,25,178</b>	13,25,178
iv) Outstanding - Payable (Net)	<b>4,75,106</b>	69,94,182
v) Outstanding - Receivable (Net)	<b>Nil</b>	Nil
vi) Provisions for doubtful debts /amounts written off /written back	<b>Nil</b>	Nil

**b) Details relating to parties referred to in item 1 (b) above.**

i) Remuneration	<b>3,52,91,164</b>	2,39,34,076
ii) Outstanding - Payable	<b>Nil</b>	Nil
iii) Provisions for doubtful debts /amounts written off /written back	<b>Nil</b>	Nil

**c) Details relating to parties referred to in item 1 (c) above.**

i) Remuneration	<b>91,64,173</b>	93,61,811
ii) Outstanding - Payable	<b>Nil</b>	Nil
iii) Provisions for doubtful debts /amounts written off /written back	<b>Nil</b>	Nil

**35 RESEARCH & DEVELOPMENT EXPENDITURE :**

	<b>For the Year Ended 31<sup>st</sup> March, 2014 Rupees</b>	<b>For the Year Ended 31<sup>st</sup> March, 2013 Rupees</b>
Capital Expenditure (included in Plant & Machinery)	<b>25,64,733</b>	---
Revenue Expenditure	<b>2,68,02,764</b>	2,41,93,723

**36** Figures in brackets represent figures for the previous year.

**37** Previous year's figures have been rearranged and regrouped wherever practicable and considered necessary.

Signatures to Note 1 to 37 annexed to and forming part of the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date.

For **S.S.KOTHARI & CO.**  
Chartered Accountants

"INDIA STEAMSHIP HOUSE"  
21, Old Court House Street  
Kolkata - 700 001  
The 17<sup>th</sup> day of May, 2014

**R. N. BARDHAN**  
Partner  
M. No.17270  
Firm Reg. No. 302034E

For and on behalf of the Board

**Amit Dhanuka**  
Company Secretary

**B. K. Khaitan**  
Chairman cum  
Managing Director

**K. K. Khaitan**  
Jt. Managing Director

# OUR QUALITY POLICY

## *Quality*

is the basis for all our actions.

---

## *Quality improvement*

is the job of every member

---

Our focus is to

## *Consistently delight our customers*

with our value added products and service

---

We are committed to an

## *Environment of teamwork*

which fosters innovation, leadership and continuous improvement, thus creating a strong technological base

*If undelivered, please return to :*

**WIRES AND FABRIKS (S.A.) LIMITED**

**7, CHITTARANJAN AVENUE, KOLKATA - 700 072**