



# Wires and Fabriks (S.A.) Limited

(CIN: L29265WB1957PLC023379)

Regd. Office: 7 Chittaranjan Avenue, Kolkata - 700 072  
www.wirefabrik.com, cs@wirefabrik.com, +91 33 4012-4012

## Notice

### Notice of the 59<sup>th</sup> Annual General Meeting – 2016

**NOTICE** is hereby given that the 59<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 Tuesday, the 9<sup>th</sup> day of August, 2016 at 12.00 Noon to transact the following business:

#### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 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, 2016.
3. To appoint a Director in place of Mr. Devesh Khaitan (DIN 00820595), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs S. S. Kothari & Co., Chartered Accountants, (Firm Registration Nr. 302034E), who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the financial year 2016-17, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imburement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

#### Special Business:

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

#### Item Nr. 5

"RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, 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 for re-appointment of Mr. Kishan Kumar Khaitan (DIN 00514864) as the Chairman cum Managing Director of the Company for a further period of 5 (five) years with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2022 and payment of remuneration to Mr. Kishan Kumar Khaitan (DIN 00514864) for the period of 3 (three) years from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020 as set out in the Explanatory Statement to this Resolution and also contained in the draft agreement to be executed between the Company and Mr. Kishan Kumar Khaitan (DIN 00514864), 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. 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 for the period of 3 (three) years with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020."

"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 Nr. 6

"RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, 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 for re-appointment of Mr. Mahendra Kumar Khaitan (DIN 00459612) as a Managing Director of the

Company for a further period of 5 (five) years with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2022 and payment of remuneration to Mr. Mahendra Kumar Khaitan (DIN 00459612) for the period of 3 (three) years from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020 as set out in the Explanatory Statement to this Resolution and also contained in the draft agreement to be executed between the Company and Mr. Mahendra Kumar Khaitan (DIN 00459612), 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. 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 for the period of 3 (three) years with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020."

"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 Nr. 7

"RESOLVED that pursuant to the provisions of Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, 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 for re-appointment of Mr. Devesh Khaitan (DIN 00820595) as an Executive Director of the Company for a further period of 5 (five) years with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2022 and payment of remuneration to Mr. Devesh Khaitan (DIN 00820595) for the period of 3 (three) years from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020 as set out in the Explanatory Statement to this Resolution and also contained in the draft 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 for the period of 3 (three) years with effect from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2020."

"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."

#### 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. A person can act as Proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the Total Share Capital of the Company carrying voting power. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
- 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. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 concerning the Special Business in the notice is annexed hereto and forms part of this Notice.
- D. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, the 3<sup>rd</sup> day of August, 2016 to Tuesday the 9<sup>th</sup> day of August, 2016 (both days inclusive)**, for the purpose of payment of dividend for the financial year ended 31<sup>st</sup> March, 2016. 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 **2<sup>nd</sup> day of August, 2016** and in case of dematerialised shares to those Beneficiaries appearing at the close of **2<sup>nd</sup> day of August, 2016**, in the records of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as beneficial owners as on that date.

- E. Shareholders who have so far neither received nor encashed dividend warrants for any of the financial years ended 31<sup>st</sup> March, 2009 and thereafter, may claim or approach the Company for payment.** Pursuant to provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year 2008-2009 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 2007-2008 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.***
- F.** As required by Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the information relating to Directors who are proposed to be re-appointed are given in following order: Name of the Director, Age, Educational Qualification, Date of Appointment, Brief Profile and Area of Expertise, Other Directorships & Committee Memberships (in listed entities), relationship with other Directors and Shareholding.
- Mr. Devesh Khaitan (DIN 00820595), aged 35 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. Mr. 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 was continuing at that position since 17.03.2009. He was appointed and designated as the Executive Director of the Company since 27.06.2014. His leadership made the Company an established player of the industry and has diversified successfully into various products. He is responsible for policy implementation and management of various functions. He sets Company's strategic direction while overseeing all operations and management matters. During his tenure as Executive Director the Company has progressed well. Mr. Khaitan has rich experience in Paper Industry and varied experience in diversified fields. Mr. Devesh Khaitan does not hold Directorships or the Committee Memberships in any other listed entities. Mr. Khaitan is the son of Mr. Kishan Kumar Khaitan, Chairman cum Managing Director of the Company and holds 100 Equity Shares of the Company in his name.
- G.** 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 SH-13 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.
- H.** 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.
- I.** 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.
- J.** 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.
- K.** 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.
- L.** 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.
- M.** 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.
- N.** Members/proxies are requested to bring their Attendance Slips duly filled in along with their copy of Annual Report to the Meeting.



- O. Members holding physical shares in multiple folios' are requested to consolidate their holdings for overall convenience.
- P. 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/updation to the concerned Depository Participant, where the demat account is maintained.
- Q. 1. i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- ii. The facility for voting through Ballot ('Insta Poll') shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'Insta Poll'.
- iii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again. In case a member casts his vote by remote e-voting and ballot, then voting through remote e-voting shall prevail.
- iv. The Company has engaged the services of NSDL as the Agency to provide e-voting facility.
- v. The Board of Directors of the Company has appointed Mr. B. N. Khandelwal, Company Secretary (Membership No. A 1148), Practicing Company Secretaries as Scrutinizer to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- vi. 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 remote 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 remote e-Voting: Active Voting Cycles.
- vii. Select "EVEN" of Wires & Fabriks (S.A.) Limited.
- viii. Now you are ready for remote 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 (Remote 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.
2. 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) or call on Toll Free No. : 1800 222 990
3. 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.
4. 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).
5. The remote e-voting period commences on 6<sup>th</sup> August, 2016 (9:00 am) and ends on 8<sup>th</sup> August, 2016 (5:00 pm). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 2<sup>nd</sup> August, 2016, 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.
6. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll Free No. : 1800 222 990
7. 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 of 2<sup>nd</sup> August, 2016.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, as well as voting at the meeting through ballot.
8. The Scrutinizer, after scrutinising the votes cast at the meeting (Insta Poll) and through remote e-voting, will, not later than two days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
9. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the website of the Company [www.wirefabrik.com](http://www.wirefabrik.com) and on the website of NSDL [https:// evoting.nsdl.com](https://evoting.nsdl.com). The results shall simultaneously be communicated to the Stock Exchanges. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. August 9, 2016.

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

**(AMIT DHANUKA)  
Company Secretary**

**Jaipur  
Dated, the 25<sup>th</sup> day of May, 2016**

## ANNEXURE TO NOTICE

### **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

#### **ITEM NO. 5**

The present term of office of Mr. Kishan Kumar Khaitan as a Chairman cum Managing Director of the Company will expire on 31<sup>st</sup> March, 2017. The Board of Directors, upon the recommendations of the Nomination and Remuneration Committee, at their meeting held on 25<sup>th</sup> May, 2016 has subject to the approval of the Shareholders in the General Meeting and approval of the Central Government, if applicable re-appointed Mr. Kishan Kumar Khaitan as a Chairman cum Managing Director of the Company for a further period of 5 (five) years with effect from 1<sup>st</sup> April, 2017, on terms and conditions as to the re-appointment and payment of remuneration for a period of 3 (three) years as mentioned below and more particularly mentioned in the draft agreement to be entered into between the Company and Mr. Kishan Kumar Khaitan. The Nomination and Remuneration Committee of the Company at their Meeting held on 25<sup>th</sup> May, 2016 approved the terms and conditions of payment of remuneration to Mr. Kishan Kumar Khaitan after taking into account the financial position of the Company, trend, his 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, if applicable as under:

Salary for the F-Y 2017-18: Rs. 1,92,00,000 per annum, Salary for the F-Y 2018-19: Rs.2,40,00,000 per annum and Salary for the F-Y 2019-20: Rs. 2,88,00,000 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.

- Insurance (Medical, Personal Accident, Liability, Life, etc.) Premium for self and family.

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 relating to remuneration payable to Mr. Kishan Kumar Khaitan, Chairman cum 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)		
Particulars	2013-2014	2014-2015	2015-2016
Turnover	10,030.49	10,779.40	10,803.29
PBIDT	1,408.23	1,400.46	1,323.25
PAT	299.23	378.59	141.64
Dividend (%)	18.00	18.00	18.00

- Export performance and Net foreign exchange earnings:

	(Rs. In lacs)		
Particulars	2013-2014	2014-2015	2015-2016
Export Performance	2,697.36	2,360.28	2,329.38
Net Foreign Exchange Earnings	(212.31)	(585.56)	(2,723.38)

- 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 since 01.10.1984. He was elevated and re-designated as the Managing Director of the Company since 27.06.2014. He was appointed as the Chairman of the Board w.e.f. 31<sup>st</sup> October, 2015. He is a renowned industrialist. He is on the Board of several companies. Mr. Kishan Kumar Khaitan has rich experience in Paper Industry and varied experience in diversified fields.

### (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 13<sup>th</sup> August, 2014 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration payable for the financial year ending 31<sup>st</sup> March, 2017 is Rs. 1,56,00,000

### (3) Recognition or awards:

N. A.

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

His leadership made the Company an established player of the industry and has diversified successfully into various products. He is responsible for growth plans and corporate strategy. He sets company's strategic direction while overseeing all operations and management matters. During his tenure as Managing Director the Company has progressed well. 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 the 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 and expansion projects will result into overall improvement in the coming years.

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

After the completion of modernization and expansion projects and the improvement in economic scenario, company expects improved performance in the coming years.

## 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 recommend 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.

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. 6

The present term of office of Mr. Mahendra Kumar Khaitan as a Managing Director of the Company will expire on 31<sup>st</sup> March, 2017. The Board of Directors, upon the recommendations of

the Nomination and Remuneration Committee, at their meeting held on 25<sup>th</sup> May, 2016 has subject to the approval of the Shareholders in the General Meeting and approval of the Central Government, if applicable re-appointed Mr. Mahendra Kumar Khaitan as a Managing Director of the Company for a further period of 5 (five) years with effect from 1<sup>st</sup> April, 2017, on terms and conditions as to the re-appointment and payment of remuneration for a period of 3 (three) years as mentioned below and more particularly mentioned in the draft agreement to be entered into between the Company and Mr. Mahendra Kumar Khaitan. The Nomination and Remuneration Committee of the Company at their Meeting held on 25<sup>th</sup> May, 2016 approved the terms and conditions of payment of remuneration to Mr. Mahendra Kumar Khaitan after taking into account the financial position of the Company, trend, his 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, if applicable as under:

Salary for the F-Y 2017-18: Rs. 1,92,00,000 per annum, Salary for the F-Y 2018-19: Rs.2,40,00,000 per annum and Salary for the F-Y 2019-20: Rs. 2,88,00,000 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.
- Insurance (Medical, Personal Accident, Liability, Life, etc.) Premium for self and family.

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 relating to remuneration payable to Mr. Mahendra 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)		
Particulars	2013-2014	2014-2015	2015-2016
Turnover	10,030.49	10,779.40	10,803.29
PBIDT	1,408.23	1,400.46	1,323.25
PAT	299.23	378.59	141.64
Dividend (%)	18.00	18.00	18.00

- Export performance and Net foreign exchange earnings:

	(Rs. In lacs)		
Particulars	2013-2014	2014-2015	2015-2016
Export Performance	2,697.36	2,360.28	2,329.38
Net Foreign Exchange Earnings	(212.31)	(585.56)	(2,723.38)

- 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 re-designated as the Jt. Managing Director of the Company on 27.06.2014. He was appointed as the Managing director of the Company w.e.f. 25.05.2016. He is a renowned industrialist. He is on the Board of several companies. Mr. Mahendra Kumar Khaitan has rich experience in Paper Industry and varied experience in diversified fields.



(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 13<sup>th</sup> August, 2014 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration payable for the financial year ending 31<sup>st</sup> March, 2017 is Rs. 1,56,00,000.

(3) Recognition or awards:

N. A.

(4) Job profile and his suitability:

His leadership made the Company an established player of the industry and has diversified successfully into various products. He is responsible for day to day activities of the Company and policy decisions. He sets company's strategic direction while overseeing all operations and management matters. During his tenure as Managing Director the Company has progressed well. 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 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. Mahendra Kumar Khaitan has no other pecuniary relationship with the Company except that Ms. Mahendra Kumar Khaitan is related to Ms. Pranika Khaitan Rawat who is a Non-Executive, Non- Independent 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 and expansion projects will result into overall improvement in the coming years.

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

After the completion of modernization and expansion projects and the improvement in economic scenario, company expects improved performance in the coming years.

### 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 recommend 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.

Except Mr. Mahendra Kumar Khaitan and Ms. Pranika 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. 7

The present term of office of Mr. Devesh Khaitan as an Executive Director of the Company will expire on 31<sup>st</sup> March, 2017. The Board of Directors, upon the recommendations of the Nomination and Remuneration Committee, at their meeting held on 25<sup>th</sup> May, 2016 has subject to the approval of the Shareholders in the General Meeting and approval of the Central Government, if applicable re-appointed Mr. Devesh Khaitan as an Executive Director of the Company for a further period of 5 (five) years with effect from 1<sup>st</sup> April, 2017, on terms and conditions as to the re-appointment and payment of remuneration for a period of 3 (three) years as mentioned below and more particularly mentioned in the draft agreement to be



entered into between the Company and Mr. Devesh Khaitan. The Nomination and Remuneration Committee of the Company at their Meeting held on 25<sup>th</sup> May, 2016 approved the terms and conditions of payment of remuneration to Mr. Devesh Khaitan after taking into account the financial position of the Company, trend, his 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, if applicable as under:

Salary for the F-Y 2017-18: Rs. 1,68,00,000 per annum, Salary for the F-Y 2018-19: Rs.2,16,00,000 per annum and Salary for the F-Y 2019-20: Rs. 2,64,00,000 per annum.

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

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

- a. 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.
- b. Gratuity payable at a rate of half month's salary for every completed year of service as per the rules of the Company.
- c. Leave with full pay as per the Company's Rules including encashment of Leave at the end of the tenure.
- d. Insurance (Medical, Personal Accident, Liability, Life, etc.) Premium for self and family.

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 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)		
Particulars	2013-2014	2014-2015	2015-2016
Turnover	10,030.49	10,779.40	10,803.29
PBIDT	1,408.23	1,400.46	1,323.25
PAT	299.23	378.59	141.64
Dividend (%)	18.00	18.00	18.00

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

	(Rs. In lacs)		
Particulars	2013-2014	2014-2015	2015-2016
Export Performance	2,697.36	2,360.28	2,329.38
Net Foreign Exchange Earnings	(212.31)	(585.56)	(2,723.38)

- (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 was continuing at that position since 17.03.2009. He was appointed and designated as the Executive Director of the Company since 27.06.2014. He is a renowned industrialist. He is on the Board of several companies. Mr. Devesh Khaitan has rich experience in Paper Industry and varied experience in diversified fields.

- (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 13<sup>th</sup> August, 2014 and approved by the Ministry of Corporate Affairs as minimum remuneration. The remuneration payable for the financial year ending 31<sup>st</sup> March, 2017 is Rs. 1,07,47,500.

- (3) Recognition or awards:  
N. A.
- (4) Job profile and his suitability:  
His leadership made the Company an established player of the industry and has diversified successfully into various products. He is responsible for policy implementation and management of various functions. He sets company's strategic direction while overseeing all operations and management matters. During his tenure as Executive Director the Company has progressed well. 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 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. Devesh Khaitan has no other pecuniary relationship with the Company except that Ms. Devesh Khaitan is related to Mr. Kishan Kumar Khaitan who is a 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 and expansion projects will result into overall improvement in the coming years.
- (3) Expected increase in productivity and profits in measurable terms:  
After the completion of modernization and expansion projects and the improvement in economic scenario, company expects improved performance in the coming years.

### 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 recommend 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.

Except Mr. Devesh Khaitan and Mr. Kishan 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.

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

(AMIT DHANUKA)  
Company Secretary

Jaipur  
Dated, the 25<sup>th</sup> day of May, 2016

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

CIN : L29265WB1957PLC023379

R.O. : 7, C. R. Avenue, Kolkata 700 072.

www.wirefabrik.com • cs@wirefabrik.com



**Proxy Form** [Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name	
Address	
Email	
Nr. Of Shares	Folio Nr./ Client ID
	DP ID

I/We being the member(s) of \_\_\_\_\_ shares of Wires & Fabriks (S.A.) Limited, hereby appoint:

1. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
2. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
3. \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a ballot) for me/us and on my/our behalf at the **59th Annual General Meeting** of the Company, to be held on Tuesday, August 9, 2016 at 12.00 Noon at Seminar Hall, Science City, JBS Halden Avenue, Kolkata - 700 046 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. Nr.	Resolutions
1	Consider and Adopt the Audited Financial Statement, Reports of Board of Directors and Auditors of the Company for the Financial year ended 31st March, 2016.
2	Declaration of Dividend on Equity Shares
3	Re-appointment of Mr. Devesh Khaitan, Director, retiring by rotation
4	Appointment of Auditors and fixing their remuneration
5	Re-appointment of Mr. Kishan Kumar Khaitan as the Chairman cum Managing Director of the Company
6	Re-appointment of Mr. Mahendra Kumar Khaitan as the Managing Director of the Company
7	Re-appointment of Mr. Devesh Khaitan as the Executive Director of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of shareholder

Affix Re. 1/-  
Stamp  
Revenue

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

## Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.



**wires & fabriks**

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

**ANNUAL REPORT**

**2015 - 2016**

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<b>OUR PRODUCT RANGE</b>
• Paper Machine Clothing
• Paper Making Chemicals

### **Directors**

Kishan Kumar Khaitan, *Chairman cum Managing Director*  
Satish Ajmera  
Mohan Lal Bhagat  
Pranika Khaitan  
Saroj Khemka  
Subrata Kumar Mitra  
Dinkarray Durgashankar Trivedi  
Devesh Khaitan, *Executive Director*  
Mahendra Kumar Khaitan, *Managing Director*

### **Secretary**

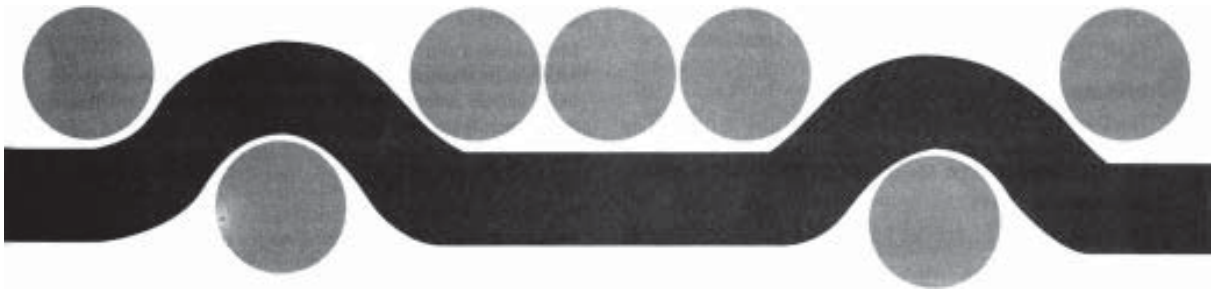
Amit Dhanuka

### **Auditors**

S. S. Kothari & Co.

### **Registered Office**

7, Chittaranjan Avenue  
Kolkata 700072  
www.wirefabrik.com  
cs@wirefabrik.com  
+91 33 40124012



*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. Yet again SSB range of fabrics was introduced for the first time in India in 2006. The Company's product range now includes Dryer Screens, Pulp Fabrics and Technical Fabrics.*

*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.*





## ANNEXURE TO THE DIRECTORS' REPORT

### Information's

- The details forming part of the extract of the Annual Return in prescribed form MGT 9 is annexed herewith.
- The details of the Board Meetings held during the Financial Year 2015-16 have been furnished in the Report on Corporate Governance.
- **Directors' Responsibility Statement**

Directors Responsibility Statement pursuant to Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013. It is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- The Company has obtained the declaration from all the Independent Directors stating their Independence pursuant to Section 149(6) of the Companies Act, 2013.
- A Nomination and Remuneration Policy has been formulated, pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and Rules thereto stating therein the Company's policy on Directors' appointment and their remuneration, by the Nomination and Remuneration Committee and approved by the Board of Directors at its meeting held on 27th June 2014. The same was last reviewed and approved by the Board in its Meeting held on 27<sup>th</sup> May, 2015.

The said policy may be referred to, at the Company's official website at <http://www.wirefabrik.com/shareholder/1571924017NRPpolicy.pdf>

The brief of the Remuneration Policy as approved by the Board is given below:

- a. The Managing Director / Whole-time Directors, etc. shall receive remuneration as per the required approvals governed as per provisions of the Companies Act, 2013. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate taking into consideration the required factors.
  - b. The Non-Executive Directors shall receive remuneration by way of Sitting Fees, as may be decided by the Board from time to time, as governed as per provisions of the Companies Act, 2013. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate taking into consideration the required factors. Any fees paid to Independent Directors for professional services shall not be considered as part of remuneration, subject to provisions of the Companies Act, 2013.
  - c. All Directors will be reimbursed expenses, including traveling expenses, incurred in performing their duties and / or attending Board/Committee Meetings.
  - d. Senior Managerial Personnel and Other employees shall receive remuneration as per Company's policy, subject to compliance with the provisions of the Companies Act 2013.
- The Company has not given any loan, guarantees or made any investments during the year under review.
  - A Related Party Policy has been approved by the Board of Directors in its meeting held on 13th August 2014 for determining the materiality of transactions with related parties and dealings with them. The same was last reviewed and approved by the Board in its Meeting held on 27<sup>th</sup> May, 2015.

The said policy may be referred to, at the Company's official website at <http://www.wirefabrik.com/shareholder/989521281RPTPolicy.pdf>.

Prior/ ominous approvals for the transactions between the related parties and the Company are obtained from the Audit Committee. The Audit Committee reviews all related party transactions quarterly. Further the members may note that there are no material related party transactions which require reporting under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- As required under Section 134(3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the information relating to Conservation of



Energy, Technology Absorption and Foreign Exchange Earnings & Outgo is annexed herewith.

- The Company has identified various risks. As required under Regulation 17 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted a risk management policy whereby a proper framework is set up. Appropriate structures are present so that risks are inherently monitored and controlled. The Board monitors the various functions and regions to establish any risk existing in the operational functions of the Company.
- The Board of Directors of the Company has approved and adopted a CSR Policy at its Board Meeting held on 5th February 2015 which inter-alia states the constitution of the CSR Committee and CSR activities to be taken up by the Company. The same was last reviewed and approved by the Board in its Meeting held on 27<sup>th</sup> May, 2015. For the financial year 2015-16, the CSR Committee had been re-constituted by the Board of Directors of the Company at its meeting held on 5<sup>th</sup> February, 2015 and the constitution of the Committee is as follows:

Sl. No.	Name	Category in Committee	Designation
1.	Mr. Mahendra Kumar Khaitan	Managing Director	Chairman
2.	Mr. Devesh Khaitan	Executive Director	Member
3.	Mr. S. K. Mitra	Independent Director	Member

The said policy may be referred to, at the Company's official website at <http://www.wirefabrik.com/shareholder/1332604073CSRPolicy.pdf>. At Wires & Fabriks (S.A.) Ltd., Corporate Social Responsibility (CSR) has been an integral part of the way we have been doing our business since inception. During the financial year 2015-16 the Company did not fall under the purview of Provisions of Section 135 of the Companies Act, 2013, read with rules made thereunder and was not required to mandatorily make any contribution towards the CSR activities.

- Pursuant to the Provisions of the Companies Act, 2013 and Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and Nomination & Remuneration Committee.

A meeting of the Independent Directors as required to be held to evaluate the performance of the Non-Independent Directors was held on 27<sup>th</sup> May 2015 wherein the

performance of the Non-Independent Directors, was evaluated.

To determine the criteria of evaluation of the performance of the Independent Directors as required under the Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee at its meeting held on 27<sup>th</sup> June 2014 established the criteria and recommended the same to the Board, for their evaluation purpose. Based on this the Board at its meeting held on 27<sup>th</sup> May, 2015 critically adjudged the performance of the Independent Directors, in absence of the particular Director being evaluated.

- The Company does not have any Subsidiary/Associate/ Joint Venture Company as on 31st March 2016.
- The Company has not accepted any kind of Deposits from the Public during the F-Y 2015-16. As on 31st March 2016, the Company does not have any unclaimed deposit.
- There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.
- Your Company has an adequate system of internal financial control procedures which is commensurate with the size and nature of business. The internal control systems of the Company are monitored and evaluated by Internal Auditors and their Audit Reports are periodically reviewed by the Audit Committee of the Board of Directors.

Based on the deliberations with Statutory Auditors to ascertain their views on the Financial Statements, including the Financial Reporting System and Compliance to Accounting Policies and Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and Systems followed by the Company.

- The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.
- The details of familiarization programmes to Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters may be referred to, at the Company's official website at <http://www.wirefabrik.com/shareholder/778081741FPID.pdf>
- The Company has a Whistle Blower Policy in place for Vigil Mechanism. The Whistle Blower Policy has been approved by the Board of Directors at its meeting held on 17<sup>th</sup> May 2014 as per the provisions of the Companies Act, 2013

and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same was last reviewed and approved by the Board in its Meeting held on 27<sup>th</sup> May; 2015. The said policy may be referred to, at the Company's website at <http://www.wirefabrik.com/shareholder/888943471WBPolicy.pdf>

- The statement of particulars, required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms a part of this report. However, as permitted under Section 136(1) the Companies Act, 2013, 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.
- The paid up Equity Share Capital as on 31st March, 2016 was Rs.3,05,62,500. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. The details

of the Equity Shares held by the Directors as on 31st March, 2016 have been furnished in extract of the Annual Return as annexed.

- The Company has transferred a total sum of Rs. 1,22,433 during the financial year 2015-16 to the Investor Education & Protection Fund established by the Central Government, in compliance with Section 205C of the Companies Act, 1956.
- The Company has always provided a congenial atmosphere for work to all employees that are free from discrimination and harassment including sexual harassment. It has provided equal opportunities of employment to all without regard to their caste, religion, color and sex. The Company has also framed a Policy on "Prevention of Sexual Harassment" at the workplace. There were no cases reported during the year under review under the said Policy.
- In accordance with Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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.

**ANNEXURE TO THE DIRECTORS' REPORT - EXTRACT OF ANNUAL RETURN**

**Form No. MGT-9  
Extract of Annual Return**

as on the financial year ended on 31<sup>st</sup> March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS :**

1.	CIN	L29265WB1957PLC023379
2.	Registration	Date 9 <sup>th</sup> March, 1957
3.	Name of the Company	Wires and Fabriks (S.A.) Limited
4.	Category/Sub-Category of the Company	Public Company Limited by shares
5.	Address of Registered Office and Contact details	7, Chittaranjan Avenue, Kolkata – 700 072, +91 40124012, cs@wirefabrik.com, www.wirefabrik.com
6.	Whether listed Company (Yes/No)	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	ABS Consultant Private Limited 99, Stephen House, 6 <sup>th</sup> Floor, 4, B. B. D. Bagh (E), Kolkata 700 001. absconsultant@vsnl.net; +91 33 22301043

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company:-

Sr. No	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company.
1.	Technical Textiles	139 - Manufacture of other Textiles	71.56%
2.	Chemicals	202 - Manufacture of other Chemical products	26.32%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	W & F Securities Private Limited 7, Chittaranjan Avenue Kolkata – 700 072	U67120WB1997PTC086188	Holding	62.90	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**i. Category-wise Share Holding.**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical Shares	Total	% of Total	Demat	Physical Shares	Total	% of Total	
<b>A. Promoters</b>									
1. Indian									
a. Individual/ HUF	16200		16200	0.53	16200	-	16200	0.53	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	2270156	-	2270156	74.28	2270156		2270156	74.28	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total- A-(1)</b>	<b>2286356</b>	<b>-</b>	<b>2286356</b>	<b>74.81</b>	<b>2286356</b>	<b>-</b>	<b>2286356</b>	<b>74.81</b>	<b>-</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat Shares	Physical	Total	% of Total	Demat Shares	Physical	Total	% of Total	
2. Foreign									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub-Total- A-(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters A(1+2)	<b>2286356</b>	-	<b>2286356</b>	<b>74.81</b>	<b>2286356</b>	-	<b>2286356</b>	<b>74.81</b>	-
<b>B. Public Shareholding</b>									
1. Institution									
a. Mutual Funds	100	1100	1200	0.04	100	1100	1200	0.04	-
b. Bank/ FI	100	350	450	0.01	100	350	450	0.01	-
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
Sub-Total- B-(1)	<b>200</b>	<b>1450</b>	<b>1650</b>	<b>0.05</b>	<b>200</b>	<b>1450</b>	<b>1650</b>	<b>0.05</b>	-
2. Non -Institution									
a. Bodies Corp.									
i) Indian	146065	1605	147670	4.84	142199	1605	143804	4.71	-0.13
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i) Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lac	311592	251331	562923	18.42	323493	244854	568347	18.60	0.18
ii) Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lac	47797	-	47797	1.56	46555	-	46555	1.52	-0.04
c. Others									
i) NRI	5054	4800	9854	0.32	4738	4800	9538	0.31	-0.01
Sub-Total- B-(2)	<b>510508</b>	<b>257736</b>	<b>768244</b>	<b>25.14</b>	<b>516985</b>	<b>251259</b>	<b>768244</b>	<b>25.14</b>	<b>0.00</b>
Total Public Shareholding B(1+2)	<b>510708</b>	<b>259186</b>	<b>769894</b>	<b>25.19</b>	<b>517185</b>	<b>252709</b>	<b>769894</b>	<b>25.19</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2797064</b>	<b>259186</b>	<b>3056250</b>	<b>100.00</b>	<b>2803541</b>	<b>252709</b>	<b>3056250</b>	<b>100.00</b>	<b>0.00</b>

**ii. Shareholding of Promoters:**

Sr. Nr.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Kishan Kumar Khaitan	100	0.00	-	100	0.00	-	-
2.	Mahendra Kumar Khaitan	500	0.02	-	500	0.02	-	-
3.	Devesh Khaitan	100	0.00	-	100	0.00	-	-
4.	Ranjana Khaitan	100	0.00	-	100	0.00	-	-
5.	Shailja Khaitan	100	0.00	-	100	0.00	-	-
6.	Pranika Khaitan	5000	0.16	-	5000	0.16	-	-
7.	Varshita Khaitan	5000	0.16	-	5000	0.16	-	-
8.	Divisha Khaitan	5000	0.16	-	5000	0.16	-	-
9.	Parul Khaitan	100	0.00	-	100	0.00	-	-
10.	Master Viraj Khaitan	100	0.00	-	100	0.00	-	-
11.	Master Reyansh Khaitan	100	0.00	-	100	0.00	-	-
12.	W & F Securities Pvt. Ltd.	1922314	62.90	-	1922314	62.90	-	-
13.	BKM Mercantile Pvt. Ltd.	347642	11.37	-	347642	11.37	-	-
14.	Wires and Fabriks Pvt. Ltd.	100	0.00	-	100	0.00	-	-
15.	W & F Millennium Mercantile Pvt. Ltd.	100	0.00	-	100	0.00	-	-
	<b>Total</b>	<b>2286356</b>	<b>74.81</b>	<b>-</b>	<b>2286356</b>	<b>74.81</b>	<b>-</b>	<b>-</b>

**iii. Change in Promoters' Shareholding ( please specify, if there is no change)**

There has been no Change in the Promoters Shareholding during the Financial Year 2015-16.

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. Nr.	Top Ten Shareholders	Shareholding at the beginning of the year- 1 <sup>st</sup> April, 2015		Shareholding at the end of the year – 31 <sup>st</sup> March, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Fountain Vanijya Pvt. Ltd.	112559	3.68	112559	3.68
2.	Vinay R Somani	27407	0.90	25169	0.82
3.	Dalmia Securities Pvt.Ltd.	15000	0.49	15261	0.50
4.	Suraj Ratan Mundhra	10300	0.34	10300	0.34
5.	Sumedha Sharma	10090	0.33	11086	0.36
6.	Hemant D Jain	5000	0.16	5000	0.16
7.	Neha Saraf	5000	0.16	5000	0.16
8.	Vidhi Pasari	5000	0.16	5000	0.16
9.	DBS Securities Pvt. Ltd.	4150	0.14	4150	0.14
10.	Meena Bharech	3645	0.12	-	-
11.	Pooja Bharech	-	-	3300	0.11

**v. Shareholding of Directors and Key Managerial Personnel :**

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		Name of the Director/KMP	No. of shares	% of total shares of the company	No. of shares
1.	<b>Mr. Kishan Kr. Khaitan – CMD</b>				
	At the beginning of the Year	100	0.00	100	0.00
	At the end of the Year			100	0.00
2.	<b>Mr. Mahendra Kr. Khaitan – Managing Director</b>				
	At the beginning of the Year	500	0.02	500	0.02
	At the end of the Year			500	0.02
3.	<b>Mr. Devesh Khaitan – Executive Director</b>				
	At the beginning of the Year	100	0.00	100	0.00
	At the end of the Year			100	0.00
4.	<b>Ms. Pranika Khaitan – Director</b>				
	At the beginning of the Year	5000	0.16	5000	0.16
	At the end of the Year			5000	0.16
5.	<b>Mr. D. D. Trivedi – Director</b>				
	At the beginning of the Year	1000	0.03	1000	0.03
	02.11.2015 (Sold 500 shares)	(500)	0.02	500	0.02
	At the end of the Year			500	0.02
6.	<b>Mr. Rajesh Patni – Chief Financial Officer</b>				
	At the beginning of the Year	140	0.00	140	0.00
	At the end of the Year			140	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
1. Principal Amount	4783.33	-	-	<b>4783.33</b>
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	32.27	-	-	<b>32.27</b>
Total of (1+2+3)	<b>4815.60</b>	-	-	<b>4815.60</b>
<b>Change in Indebtedness during the financial year</b>				
+ Addition	2650.00	-	-	
-Reduction	(771.99)	-	-	
Net change	<b>1878.01</b>	-	-	
<b>Indebtedness at the end of the financial year-31.03.2016</b>				
1. Principal Amount	6647.82	-	-	<b>6647.82</b>
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	45.79	-	-	<b>45.79</b>
Total of (1+2+3)	<b>6693.61</b>	-	-	<b>6693.61</b>

**VI. Remuneration of Directors and Key Managerial Personnel :**

**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

(Rs. in Lacs)

Sr. Nr.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Kishan Kumar Khaitan	Mr. Mahendra Kumar Khaitan	Mr. Devesh Khaitan	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	121.20	120.60	92.70	<b>334.50</b>
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1.49	0.57	0.50	<b>2.56</b>
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	– As % of Profit	-	-	-	-
	– Others, specify	-	-	-	-
5.	Others, please specify				
	Provident Fund & other Funds	14.26	14.18	11.12	<b>39.56</b>
	<b>Total (A)</b>	<b>136.95</b>	<b>135.35</b>	<b>104.32</b>	<b>376.62</b>
	Ceiling as per the Act	As per Approvals received from the Central Government			

**B. Remuneration of Other Directors:**

**I. Independent Directors :-**

(Rs. in Lacs)

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. S. Ajmera	Mr. M. L. Bhagat	Mr. S. Khemka	Mr. V. K. Ladia	Mr. S. K. Mitra	Mr. D.D. Trivedi	
Fee for attending board committee meetings	1.95	1.50	1.20	-	1.65	0.90	7.20
Commission	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total B (I)</b>	<b>1.95</b>	<b>1.50</b>	<b>1.20</b>	<b>-</b>	<b>1.65</b>	<b>0.90</b>	<b>7.20</b>

**II. Other Non-Executive Directors :**

(Rs. in Lacs)

Particulars of Remuneration	Name of Directors					Total Amount
	Ms. Pranika Khaitan					
Fee for attending board committee meetings	1.20					1.20
Commission	-					-
Others	-					-
<b>Total B (II)</b>	<b>1.20</b>					<b>1.20</b>
<b>Total B (I+II)</b>						<b>8.40</b>
Ceiling as per the Act	As per Section 197(5) of the Companies Act, 2013					



**C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD**

(Rs. in Lacs)

Sr. Nr.	Particulars of Remuneration	Name of the KMP		Total Amount
		Rajesh Patni, CFO	Amit Dhanuka, CS	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	35.51	9.20	<b>44.71</b>
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.22	-	<b>0.22</b>
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- As % of Profit	-	-	-
	- Others, specify	-	-	-
5.	Others, please specify Contribution to Provident Fund	0.11	0.11	<b>0.22</b>
	<b>Total (C)</b>	<b>35.84</b>	<b>9.31</b>	<b>45.15</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed	Authority (RD / NCLT / Court)	Appeal Made, if Any.
<b>A. Company</b> Penalty Punishment Compounding		<b>None</b>			
<b>B. Directors</b> Penalty Punishment Compounding		<b>None</b>			
<b>C. Other Officers in Default</b> Penalty Punishment Compounding		<b>None</b>			

**ANNEXURE TO THE DIRECTORS' REPORT –**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW & OUTFLOW**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014 and forming part of the Boards' Report for the year ended on 31st March 2016.

**A. CONSERVATION OF ENERGY**

1. Steps taken or impact on Conservation of Energy

The Company continues to remain conscious of conserving energy resources and takes various measures to rationalize the consumption of energy.

2. Steps taken by the Company for utilizing Alternate Sources of Energy

Wheeling arrangement for self consumption has been made from one of the Company's Wind Power Plant established at Jaisalmer, Rajasthan.

3. Capital Investment on Energy Conservation Equipments

The Company continues to identify and modernise equipments & processes for Energy Conservation.

**B. TECHNOLOGY ABSORPTION**

1. Efforts made towards Technology absorption

- a. Training of personnel
- b. Absorption/adaptation of technology to suit indigenous requirements.
- c. Analysis and feedback to improve products/processes/equipment.
- d. Strengthening of R & D.
- e. Participation in conferences, seminars and exhibitions.

2. Benefits derived

- a. New / improved products / processes / equipments etc.
- b. Indigenisation.
- c. Strengthening of technological base.

3. Imported Technology (Imported during last 3 Years)

- a. Details of Technology Imported: Paper Machine Clothing
- b. Year of Import: 2012
- c. Whether the technology been fully absorbed: Yes
- d. If Not, reasons: Not Applicable

4. Expenditure Incurred on Research and Development

(Rs. in Lacs)

(a) Capital	:	4.62
(b) Revenue	:	268.63
(c) Total	:	273.25
(d) Total R & D Expenditure (as a % of total turnover)	:	2.53%

**C. FOREIGN EXCHANGE INFLOW AND OUTFLOW**

1. Activities relating to Exports:

The Company regularly exports its products to several countries. Efforts to develop new markets and consolidate the existing ones are continuing.

2. Total Foreign Exchange used and earned:

(Rs. in Lacs)

Foreign Exchange earned	:	2301.77
Foreign Exchange used	:	5025.16

ANNEXURE TO THE DIRECTORS' REPORT – SECRETARIAL AUDIT REPORT

**Secretarial Audit Report**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Wires and Fabriks (S.A.) Limited**  
Kolkata

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Wires and Fabriks (S.A.) Limited (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Wires and Fabriks (S.A.) Limited ("The Company") for the financial year ended on 31st March 2016 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - a. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 which come into effect from 15<sup>th</sup> May, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.



**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, carried out a Postal Ballot procedure and has obtained the Shareholders approval, by way of Special Resolution, for creation or sale, lease or otherwise dispose of the properties of the Company as required under Section 180(1) (a) of the Companies Act, 2013.

Place : Kolkata  
Date : 25<sup>th</sup> May 2016

**B. N. Khandelwal**  
C.P. No. 1148  
M. No. 1614

**Note:** This Report is to be read with 'Annexure A' attached herewith and forms an integral part of this Report.

## ANNEXURE – A

To,  
The Members  
**Wires and Fabriks (S.A.) Limited**  
Kolkata

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata  
Date : 25<sup>th</sup> May 2016

**B. N. Khandelwal**  
C.P. No. 1148  
M. No. 1614

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015)

### 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 i.e. on 27th May 2015 (11.30 A.M. & 12.30 P.M.), 12th August, 2015 (11.00 A.M. & 11.30 A.M.), 31<sup>st</sup> October 2015 (11.00 A.M. & 11.30 A.M.) and 12th February 2016 (11.30 A.M. & 12.30 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 at 59th Annual General Meeting are given in 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. K. K. Khaitan, <i>CMD</i> <sup>^</sup>	PE	6	Yes	3	-	-
Mr. M. K. Khaitan, <i>Managing Director</i> <sup>^^</sup>	PE	8	Yes	3	-	-
Mr. Devesh Khaitan, <i>Executive Director</i>	PE	6	Yes	3	-	-
Mr. Satish Ajmera	NEI	8	Yes	3	1	3
Mr. M. L. Bhagat	NEI	6	Yes	1	-	-
Mr. Saroj Khemka	NEI	8	Yes	-	-	-
Mr. V. K. Ladia <sup>**</sup>	NEI	-	No	2	-	-
Mr. S. K. Mitra	NEI	8	Yes	5	4	-
Mr. D. D. Trivedi	NEI	4	No	4	2	-
Ms. Pranika Khaitan	NENI	8	Yes	-	-	-

PE: Promoter & Executive, NEI: Non Executive & Independent, NENI: Non Executive & Non Independent, \*Audit Committee & Shareholders Grievance Committee only, <sup>^</sup>Redesignated w.e.f. 31<sup>st</sup> October, 2015, <sup>\*\*</sup>Resigned w.e.f. 31<sup>st</sup> October, 2015, <sup>^^</sup>Redesignated w.e.f. 25<sup>th</sup> May, 2016.

Mr. Devesh Khaitan is the son of Mr. K.K. Khaitan and Ms. Pranika Khaitan is the daughter of Mr. M. K. Khaitan.

Mr. D. D. Trivedi, Non – Executive Director of the company holds 500 Nr. of Equity Shares of the Company.

The details of the Familiarisation Program of Independent Directors may be referred to, at the Company's official website at <http://www.wirefabrik.com/shareholder/778081741FPID.pdf>

### 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. D. D. Trivedi, Mr. Satish Ajmera, & Mr. M. L. Bhagat and an Executive Director Mr. M. K. Khaitan, Managing Director. The terms of reference, role and powers of the Audit Committee are in line with the regulatory requirements mandated by the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as the Companies Act, 2013. During the year, four meetings of the Audit Committee were held on 27th May 2015, 12th August 2015, 31<sup>st</sup> October 2015 and 12th February 2016.

Mr. D. D. Trivedi, Mr. Satish Ajmera, Mr. M. L. Bhagat and Mr. M. K. Khaitan attended 2, 4, 3 & 4 meetings respectively. The Company Secretary acts as a Secretary to the Committee.

### 4. NOMINATION AND REMUNERATION COMMITTEE:

During the period under review, Remuneration Committee headed by Mr. S. K. Mitra comprised of 3 Non-Executive Independent Directors namely Mr. S. K. Mitra, 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 the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013. During the year, the Committee met on 27th May 2015, which was attended by Mr. S. K. Mitra and Mr. M. L. Bhagat. The criteria for evaluation of performance of Independent Directors cover the areas of Participation, Knowledge & Skills and others as recommended by the Committee.

#### 5. REMUNERATION OF DIRECTORS:

The payments of remuneration to the Whole-time Director(s) are governed by the Company's Remuneration Policy and the respective agreement between them and the Company. The current tenure of Whole-time Director(s) namely Mr. K. K. Khaitan and Mr. M. K. Khaitan is for a period of five years with effect from 1st April, 2012 and of Mr. Devesh Khaitan, is from 1st July, 2014 to 31st March, 2017, which can be further extended by re-appointing them, subject to the approval by Members in the General Meeting. The Remuneration paid to the Whole time Directors are as per the approvals received from the Central Government. The Non-Executive Directors are being 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. There was no pecuniary relationship or transactions between the Non-Executive Directors and the Company during the Financial Year 2015-16.

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. K. K. Khaitan, <i>CMD</i>	1,21,20,000	15,74,400	--	1,36,94,480
Mr. M. K. Khaitan, <i>Managing Director</i>	1,20,60,000	14,75,153	--	135,35,153
Mr. Devesh Khaitan, <i>Executive Director</i>	92,70,000*	11,62,437*	--	1,04,32,487
Ms. Pranika Khaitan, <i>Director</i>	--	--	1,20,000	1,20,000
Mr. Satish Ajmera, <i>Director</i>	--	--	1,95,000	1,95,000
Mr. M. L. Bhagat, <i>Director</i>	--	--	1,50,000	1,50,000
Mr. S. Khemka, <i>Director</i>	--	--	1,20,000	1,20,000
Mr. V. K. Ladia, <i>Director</i>	--	--	--	--
Mr. S. K. Mitra, <i>Director</i>	--	--	1,65,000	1,65,000
Mr. D. D. Trivedi, <i>Director</i>	--	--	90,000	90,000

\* Including Arrears

#### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the period under review, Stakeholders Relationship Committee headed by Mr. Satish Ajmera, comprised of two Non-Executive Directors namely Mr. Satish Ajmera and Mr. S. K. Mitra and two Executive Directors, Mr. K. K. Khaitan, Chairman cum Managing Director and Mr. M. K. Khaitan, Managing Director. The terms of reference, role and powers of the Stakeholders Relationship Committee are in line with the regulatory requirements mandated by the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. During the year, the Committee met on 27th May 2015, which was attended by Mr. Satish Ajmera, Mr. S. K. Mitra 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 and the Compliance Officer.

#### 7. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held on 12th August, 2015 at 12.00 Noon, 13th August, 2014 at 12.00 Noon and 30th July, 2013 at 11.30 a.m. (all at Seminar Hall, Science City, JBS Halden Avenue, Kolkata 700 046). All the Special Resolutions contained in the respective Notices of the AGM's were passed by the Members. During the year under review two (2) Special Resolutions were passed through postal ballot with requisite majority. The Board had authorized Mr. Amit Dhanuka, Company Secretary of the Company to comply with the formalities of the Postal Ballot procedures and had appointed Mr. B. N. Khandelwal, Practicing Company Secretary as the Scrutinizer to conduct the Postal Ballot procedure in true and fair manner.

## 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 extract / quarterly financial results are normally published in Financial Express (English) & Aarthik Lipi (Vernacular) and are also submitted to the concerned Stock Exchanges in required format to enable them to display at their respective websites. The quarterly/annual financial statement, shareholding pattern along with the presentation on financial results and official news releases, are posted on Company website and can be viewed on [www.wirefabrik.com](http://www.wirefabrik.com). Further, all other price sensitive and other information is sent to the Stock Exchange where shares of the Company are listed, enabling them to display the same on their website.

## 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 : Tuesday, the 9th day of August, 2016 at 12.00 Noon  
Seminar Hall, Science City, JBS Halden Avenue, Kolkata 700 046.
- (c) Financial Year : 1st April to 31st March
- (d) Dates of Book closure : 3<sup>rd</sup> August, 2016 to 9th August, 2016 (both days inclusive)
- (e) Listing of Stock Exchanges & Stock Code

B.S.E. 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 2016-2017 has been paid to the above Stock Exchanges.

- (f) Share Price Data, as traded at Bombay Stock Exchange Limited during 2015-2016 (in Rs.)

	2015									2016		
	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<b>High</b>	109.90	127.50	124.50	137.30	129.00	110.80	111.90	104.30	107.90	104.00	101.95	102.40
<b>Low</b>	91.00	83.00	82.00	106.20	95.70	87.10	95.30	90.00	92.00	87.60	79.10	88.00

(Source: BSE Website)

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

- (g) Stock Performance in comparison to BSE Sensex:

	As on 31.03.2015	As on 31.03.2016	Increase / (Decrease) %
BSE Sensex	27957.49	25341.86	(9.36)
Company's Stock Price at BSE (Rs.)	92.95	98.00	5.43

(Source: BSE Website)

- (h) Registrar & Transfer Agent : ABS Consultant Pvt. Ltd.  
99, Stephen House, 6<sup>th</sup> Floor, 4, B.B D Bag (E), Kolkata-700 001  
[absconsultant@vsnl.net](mailto:absconsultant@vsnl.net), +91 33 2230-1043 / 2243-0153
- (i) Share Transfer System : Share transfers documents complete in all respects are registered and or share transfer under objections are returned within stipulated time period.
- (j) Distribution of Shareholding as on 31<sup>st</sup> March, 2016

No. of shares	No. of Equity Shareholders	% of Shareholders	No. of Equity Shares held	% of Shareholding
1 to 1000	4,055	98.42	4,73,355	15.49
1001 to 10000	58	1.41	1,38,564	4.53
10001 & above	7	0.17	24,44,331	79.98
<b>Total</b>	<b>4,120</b>	<b>100.00</b>	<b>30,56,250</b>	<b>100.00</b>



Categories of Shareholding as on 31<sup>st</sup> March, 2016

Category	No. of Shares held	% of Shareholding
Promoters	22,86,356	74.81
Mutual Funds	1,200	0.04
Financial Intuitions / Banks	450	0.01
Public Shareholders - Individuals	6,14,902	20.12
Public Shareholders - Bodies Corporate	1,43,804	4.71
Others	9,538	0.31

- (k) 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 91.73% of shares were held in dematerialisation form by the shareholders of the Company, as on 31st March, 2016. 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.
- (l) Outstanding ADR's / GDR's/Warrants / or any other Convertible Instruments : Nil
- (m) Commodity Price Risk / Foreign Exchange Risk and Hedging : The Company did not engage in Hedging Activities
- (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 Nr.: +91 33 40124012  
E-Mail: cs@wirefabrik.com
- (p) Compliance officer : The Company Secretary acts as Compliance Officer of the Company.

**10. DISCLOSURES:**

- (i) 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.
- (ii) Neither were any penalties imposed, nor were any strictures passed by Stock Exchange or SEBI or any Statutory Authority on any Capital Market related matters during the last three years.
- (iii) The Company has a whistle blower policy and no employee has been denied access to the Audit Committee and / or Director in respect of his / her grievances.
- (iv) The Company has complied with the mandatory requirements of the Listing Regulation. The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.
- (v) The Company does not have a Subsidiary and as such no Policy for determining 'material subsidiaries was formulated.
- (vi) The Company has framed Related Party Transaction Policy and is placed on the Company's website and may be referred to, at the Company's official website at <http://www.wirefabrik.com/shareholder/989521281RPTPolicy.pdf>
- (vii) During the financial year ended 31st March, 2016 the Company did not engage in commodity hedging activities.

**11. There has been no instance of non-compliance of any requirement of Corporate Governance Report.**

**12. ADOPTION OF NON - MANDATORY REQUIREMENTS:**

Sl. Nr.	Particulars	Compliance Status/Remarks
1.	Audit Qualification	The financial statement has no qualifications.
2.	Separate posts of Chairman and CEO	The post of the Chairman of the Company and the CEO are held by different persons.
3.	Reporting of Internal Auditors	The Internal Auditors have a direct access to the Chairman of the Audit Committee

**13. The Company has fully complied with the applicable requirement specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46.**

**14. CEO/CFO CERTIFICATION:**

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Chief Executive Officer and Chief Financial Officer of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal control for the financial reporting purpose, for the year under review.

Jaipur  
25th May, 2016

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

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

It is hereby declared that all Board Members, Key Managerial Personnel and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, for the financial year ended 31st March, 2016.

Jaipur  
25th May, 2016

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

**Certificate to the Members of Wires & Fabriks (S.A.) Limited on the conditions of Corporate Governance for the year ended 31st March, 2016.**

We have examined the Compliance of the conditions of Corporate Governance by Wires & Fabriks (S.A.) Limited for the year ended 31st March, 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 pursuant to 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 implementation 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 the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.

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  
25th May, 2016

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

## **MANAGEMENT DISCUSSIONS & ANALYSIS REPORT 2015-16**

### **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 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**

The expected completion of the Company's Modernisation and Expansion Projects in Financial Year 2016-17, will make the Company ready for the future. 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 nominal increase in turnover. Profits came under pressure. The Company plans to further strengthen the areas where more improvement opportunities exist. The expected completion of Modernisation and Expansion Projects will make the Company ready for the future.

### **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 STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of **WIRES AND FABRIKS (S.A) LIMITED**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by The Central Government, in terms of Sub-Section 143 of the Act we give in the Annexure-A, a statement of the matters specified in paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statements of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the book of account.
  - (d) In our opinion, the aforesaid standalone financial statement comply with the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements.
    - ii. the Company did not have any long-term contract including derivatives contract for which there were any material foreseeable losses.
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

CENTRE POINT  
21, Old Court House Street,  
Kolkata – 700 001

The 25th day of May, 2016

For **S.S.KOTHARI & CO.**  
Chartered Accountants  
Firm's Registration No. 302034E

**R N BARDHAN**  
Partner  
M. No. 017270

## ANNEXURE “A” TO INDEPENDENT AUDITORS’ REPORT

### REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE.

As required by the Companies (Auditor’s Report) Order, 2016 (“the order”) issued by the Central Government of India in terms of Sub-Section (II) of Section 143 of the Companies Act, 2013 and on the basis of such checks as we considered appropriate and the information and explanations given to us, we further report that:

1. a) The Company has maintained proper records of Fixed Assets showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. In accordance with such programme, the management has physically verified fixed assets during the year and no material discrepancies were noticed on such verification.
- c) We have checked and found that the title deeds of all immovable properties are held in the name of Company
2. The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has not given loan and guarantee, made investment and provided securities in terms of provision of section 185 and 186 of the Companies Act 2013.
5. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
6. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the companies Act, 2013 in respect of the products of the Company and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. However, we have not made any detailed examination of cost records, to ascertain the accuracy and completeness thereof.
7. a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues applicable to it and there is no outstanding as on 31st March, 2016 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us there are no dues in respect of Income-tax, sales-tax, service tax, custom duty, excise duty and value added tax that have not been deposited with the appropriate authorities on account of any dispute except: :-

Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	2,95,184	2004-05	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Sales Tax	1,92,731	2006-07	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Sales Tax	1,54,817	2007-08	Senior Joint Commissioner of Sales Tax, Dharamtala Circle , Kolkata
Sales Tax	2,17,636	2010-11	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Sales Tax	6,07,929	2011-12	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
Sales Tax	1,37,954	2011-12	Rajasthan Tax Board, Ajmer
Sales Tax	10,36,520	2012-13	Senior Joint Commissioner of Sales Tax, Dharamtala Circle , Kolkata
Sales Tax	7,45,030	2012-13	Rajasthan Tax Board, Ajmer
Excise	5,20,230	2010-11	Central Excise & Service Tax Appellate Tribunal, Kolkata

8. On the basis of examination of the books of accounts and other records of the Company, we are of the opinion that the Company has not defaulted in repayment of loans to banks. Further the Company does not have any debentures, loan from financial institution or Government.
9. According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not raised any money by way of initial public offer or further public offer or debt instruments. The term loan availed by the Company were applied for the purpose for which the loans were obtained.
10. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given to us, and on the basis of our examination of the books of account, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedules V of the Companies Act, 2013.
12. The Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the company.
13. According to the information and explanations given to us, and on the basis of our examination of the books of account, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards
14. According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us, and on the basis of our examination of the books of account, Company has not entered into any non-cash transactions with directors or persons connected with him.
16. According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

CENTRE POINT  
21, Old Court House Street,  
Kolkata – 700 001

The 25th day of May, 2016

For **S.S.KOTHARI & CO.**  
Chartered Accountants  
Firm's Registration No. 302034E

**R N BARDHAN**  
Partner  
M. No. 017270

## **ANNEXURE “B” TO INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WIRES AND FABRIKS (S.A.) LIMITED**

**REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE.**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

To The Members of Wires and Fabriks (S.A.) Limited,

We have audited the internal financial controls over financial reporting of Wires and Fabriks (S.A) Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.



## **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **EXPLANATORY PARAGRAPH**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at March 31, 2016, and the related 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, and our report dated May 25, 2016 expressed an unqualified opinion thereon.

**CENTRE POINT**  
21, Old Court House Street,  
Kolkata – 700 001

The 25th day of May, 2016

**For S.S.KOTHARI & CO.**  
Chartered Accountants  
Firm's Registration No. 302034E

**R N BARDHAN**  
Partner  
M. No. 017270

**BALANCE SHEET  
AS AT 31<sup>ST</sup> MARCH, 2016**

	Notes	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
		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	<u>38,87,52,891</u>	<u>41,93,15,391</u>	<u>37,45,88,421</u>	40,51,50,921
<b>Non-current Liabilities :</b>					
Long-term borrowings	3	36,98,66,260		21,43,66,260	
Deferred tax liabilities (Net)	4	4,78,39,327		5,11,16,138	
Long-term provisions	5	<u>1,59,43,023</u>	<u>43,36,48,610</u>	<u>1,37,14,751</u>	27,91,97,149
<b>Current Liabilities :</b>					
Short-term borrowings	6	18,54,16,075		17,89,24,122	
Trade payables	7	10,82,68,237		7,99,42,411	
Other current liabilities	8	21,32,45,070		16,22,37,835	
Short-term provisions	9	<u>3,60,94,070</u>	<u>54,30,23,452</u>	<u>3,92,02,451</u>	46,03,06,819
<b>TOTAL</b>			<u><u>1,39,59,87,453</u></u>		<u><u>1,14,46,54,889</u></u>
<b>II. ASSETS</b>					
<b>Non-current Assets :</b>					
<b>Fixed Assets</b>					
Tangible assets	10	48,93,85,336		45,40,07,324	
Capital work-in-progress		16,61,10,707		2,23,90,264	
Intangible assets under development		<u>85,53,517</u>	<u>66,40,49,560</u>	<u>85,53,517</u>	48,49,51,105
Non Current Investments	11	55,200		55,200	
Long-term loans and advances	12	<u>37,74,200</u>	<u>38,29,400</u>	<u>27,68,976</u>	28,24,176
<b>Current Assets :</b>					
Inventories	13	19,15,35,420		17,21,59,957	
Trade Receivables	14	40,73,66,131		37,59,73,616	
Cash and Bank Balances	15	3,44,95,594		4,63,01,454	
Short Term Loans and Advances	16	3,17,45,014		2,95,87,307	
Other Current Assets	17	<u>6,29,66,334</u>	<u>72,81,08,493</u>	<u>3,28,57,274</u>	65,68,79,608
<b>TOTAL</b>			<u><u>1,39,59,87,453</u></u>		<u><u>1,14,46,54,889</u></u>
Significant Accounting Policies and Notes on Financial Statement	1 to 37				

As per our Report Annexed

**CENTRE POINT**  
21, Old Court House Street  
Kolkata - 700 001  
The 25th day of May, 2016

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

For and on behalf of the Board

<b>Rajesh Patni</b> CFO	<b>Amit Dhanuka</b> Company Secretary	<b>K. K. Khaitan</b> Chairman cum Managing Director	<b>M. K. Khaitan</b> Managing Director
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## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	Notes	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
		Rupees	Rupees	Rupees	Rupees
<b>INCOME :</b>					
Revenue From Operations	18	1,08,03,29,177		1,07,79,40,105	
Less : Excise Duty		<u>8,60,54,411</u>	99,42,74,766	<u>8,54,30,512</u>	99,25,09,593
Other Income	19		<u>33,64,942</u>		24,62,605
<b>Total Revenue</b>			<u><b>99,76,39,708</b></u>		<u><b>99,49,72,198</b></u>
<b>EXPENSES :</b>					
Cost of materials consumed	20		28,51,98,210		30,22,58,149
Purchases of Stock-in-Trade			5,27,02,511		6,19,09,360
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21		28,00,456		(23,61,397)
Employee benefits expenses	22		18,47,84,547		16,83,30,205
Finance costs	23		4,61,94,191		4,11,16,660
Depreciation and amortization expenses	24		7,35,37,676		6,41,52,766
Other expenses	25		<u>33,98,29,152</u>		<u>32,47,89,851</u>
<b>Total Expenses</b>			<u><b>98,50,46,743</b></u>		<u><b>96,01,95,594</b></u>
<b>Profit before tax</b>			<u><b>1,25,92,965</b></u>		<u><b>3,47,76,604</b></u>
Tax expenses:					
Current tax			25,70,000		69,60,000
Deferred tax			(32,76,811)		(30,48,852)
Mat Credit Entitlement			(13,15,000)		(39,57,000)
			<u>(20,21,811)</u>		<u>(45,852)</u>
Earlier years adjustments(net)			4,50,306		(30,36,784)
<b>Profit for the year</b>			<u><b>1,41,64,470</b></u>		<u><b>3,78,59,240</b></u>
<b>Earnings per equity share:</b>	30				
Basic & Diluted			4.63		12.39
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 <b>S.S.KOTHARI &amp; CO.</b> Chartered Accountants Firm Reg. No. 302034E		For and on behalf of the Board			
<b>CENTRE POINT</b> 21, Old Court House Street Kolkata - 700 001 The 25th day of May, 2016	<b>R. N. BARDHAN</b> Partner M. No.17270	<b>Rajesh Patni</b> CFO	<b>Amit Dhanuka</b> Company Secretary	<b>K. K. Khaitan</b> Chairman cum Managing Director	<b>M. K. Khaitan</b> Managing Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

(Rs. in Lacs)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extra ordinary items	125.93	347.77
<b>ADJUSTMENTS FOR :</b>		
Net prior period expenses	<u>4.10</u>	<u>7.35</u>
	<b>130.03</b>	<b>355.12</b>
<b>ADJUSTMENTS FOR :</b>		
Depreciation	735.38	641.53
(Profit) / Loss on sale of assets / Investments	3.77	26.11
Liabilities no longer required written back	-9.83	-0.22
Income from Interest	-22.92	-21.44
Interest expenses	447.65	405.49
Dividend Received	0.00	-0.01
Fixed Assets written off	<u>0.00</u>	<u>0.00</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :</b>	<b>1,154.05</b>	<b>1,051.46</b>
<b>ADJUSTMENTS FOR:</b>	<b>1,284.08</b>	<b>1,406.58</b>
Trade & other Receivables	-670.64	-511.83
Inventories	-193.75	234.07
Trade payables	<u>590.43</u>	<u>160.59</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,010.12</b>	<b>1,289.41</b>
Direct Taxes Paid	<u>16.31</u>	<u>-54.28</u>
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>1,026.43</b>	<b>1,235.13</b>
Net Prior Period Expenses	<u>-4.10</u>	<u>-7.35</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,022.33</b>	<b>1,227.78</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-2,535.06	-1,036.18
Sale of Fixed Assets	4.93	26.70
Sale of Investment	0.00	0.00
Interest Received	22.92	21.44
Dividend Received	<u>0.00</u>	<u>0.01</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-2,507.21</b>	<b>-988.03</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	1,799.57	-168.75
Proceeds from Short Term Borrowings	64.92	330.08
Interest Paid	-434.13	-407.12
Dividend Paid	<u>-63.54</u>	<u>-63.59</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>1,366.82</b>	<b>-309.38</b>
Net increase in cash and cash equivalents (A + B + C)	<u>-118.05</u>	<u>-69.63</u>
Opening cash and cash Equivalents	463.01	532.64
Closing cash and cash Equivalents	<b>344.96</b>	<b>463.01</b>

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

For **S.S.KOTHARI & CO.**  
Chartered Accountants  
Firm Reg. No. 302034E

**CENTRE POINT**  
21, Old Court House Street  
Kolkata - 700 001  
The 25th day of May, 2016

**R. N. BARDHAN**  
Partner  
M. No.17270

**Rajesh Patni**  
CFO

**Amit Dhanuka**  
Company Secretary

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

**M. K. Khaitan**  
Managing Director

For and on behalf of the Board

## **SIGNIFICANT ACCOUNTING POLICIES**

**Annexed to and forming part of the accounts for the year ended 31st March, 2016**

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

- a) The Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respect with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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).
- c) The Accounting Policies adopted in the preparation of financial statements are consistent with those used in previous year, except for the change in accounting policy explained below:

As per the requirements of pre-revised Accounting Standard- 4, the Company used to create a liability for dividend proposed after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per Accounting Standard- 4(Revised), the Company cannot create provision for dividend proposed after the balance sheet date. However, Company will need to disclose the same in notes to the financial statements. Accordingly, the Company has disclosed dividend proposed by board of directors after the balance sheet date in the notes to the financial statements.

### **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 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 accumulated depreciation.
- 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" based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- 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, 2016		As at 31 <sup>st</sup> March, 2015	
	Rupees	Rupees	Rupees	Rupees
<b>Authorized :</b>				
25000000 Equity Shares of Rs.10/-each	25,00,00,000		25,00,00,000	
1000000 Redeemable Preference Shares of Rs.10/- each	<u>1,00,00,000</u>	<u>26,00,00,000</u>	<u>1,00,00,000</u>	<u>26,00,00,000</u>
		<u>26,00,00,000</u>		<u>26,00,00,000</u>
<b>Issued Subscribed and Fully Paid up :</b>				
3056250 Equity Shares of Rs.10/-each		<u>3,05,62,500</u>		<u>3,05,62,500</u>
		<u>3,05,62,500</u>		<u>3,05,62,500</u>

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

Particulars	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	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	<u>30,56,250</u>	<u>3,05,62,500</u>	<u>30,56,250</u>	<u>3,05,62,500</u>

#### 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 25.05.2016 has proposed Dividend of Rs 1.80 per equity share for the year ended on 31st March, 2016, after the Balance Sheet date. The proposed Dividend on Equity Shares for the year is Rs. 5,501,250 and dividend distribution tax on proposed dividend is Rs. 1,119,925

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

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Number	% held	Number	% held
<b>Equity Shares</b>				
W&F Securities Pvt. Limited - Holding Company	19,22,314	62.90%	19,22,314	62.90%
Associates of the Holding Company	3,64,042	11.91%	3,64,042	11.91%

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

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Number	% held	Number	% held
<b>Equity Shares</b>				
W&F Securities Pvt. Limited	19,22,314	62.90%	19,22,314	62.90%
BKM Mercantile Pvt. Limited	3,47,642	11.37%	3,47,642	11.37%



## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 2 : RESERVES & SURPLUS

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Rupees	Rupees	Rupees	Rupees
<b>General Reserve :</b>				
As per last Account	5,50,00,000		5,25,00,000	
Add: Transfer from Profit & Loss Account	<u>25,00,000</u>	5,75,00,000	<u>25,00,000</u>	5,50,00,000
<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	--		4,46,16,543	
Less: Adjusted	<u>--</u>	--	<u>4,46,16,543</u>	--
<b>Surplus (Profit &amp; Loss Account) :</b>				
Balance as per last account	28,90,16,671		26,54,20,483	
Add: Profit for the year (as per Annexed Statement of Profit & Loss)	1,41,64,470		3,78,59,240	
Less : Depreciation in respect of Assets whose useful life is over.	--		<u>53,09,865</u>	
<b>Surplus Available for Appropriation</b>	<b>30,31,81,141</b>		<b>29,79,69,858</b>	
<b>Less: Appropriations</b>				
Proposed Dividend	--		55,01,250	
Provision for Tax on Proposed Dividend	--		9,51,937	
Transfer to General Reserve	<u>25,00,000</u>	<u>30,06,81,141</u>	<u>25,00,000</u>	<u>28,90,16,671</u>
		<u><b>38,87,52,891</b></u>		<u><b>37,45,88,421</b></u>

### NOTE 3 : LONG TERM BORROWINGS

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Rupees Non Current	Rupees Current	Rupees Non Current	Rupees Current
<b>Secured</b>				
Term Loans from Banks	36,98,66,260	10,95,00,000	21,43,66,260	8,50,43,000
	<u>36,98,66,260</u>	<u>10,95,00,000</u>	<u>21,43,66,260</u>	<u>8,50,43,000</u>

3.1 Term Loan of Rs. 13.75 crores sanctioned during the year by bank is secured by way of first exclusive charge on entire fixed assets of the company created out of said term loan and second charge over the current assets (ranking pari passu).

3.2 All other Term Loans from banks are secured by joint equitable mortgage of immovable properties (present and future), hypothecation of fixed assets and second charge over the current assets (ranking pari passu).

3.3 Term Loans from banks are re-payable in quarterly installments, maturity profile are given here in under:

	1-2 Year	2-3 Year	3-4 Year	Beyond 4 Years
Maturity profile	6,83,66,260	4,80,00,000	6,20,00,000	19,15,00,000

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

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

	<u>As at 31<sup>st</sup> March, 2016</u>	<u>As at 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
<b>Deferred Tax Liability</b>		
Difference between book and tax depreciation	5,91,94,158	6,09,30,286
<b>Less : Deferred Tax Assets</b>		
Disallowances under the Income Tax Act 1961	<u>1,13,54,831</u>	<u>98,14,148</u>
	<u><u>4,78,39,327</u></u>	<u><u>5,11,16,138</u></u>

### NOTE 5 : LONG TERM PROVISIONS

	<u>As at 31<sup>st</sup> March, 2016</u>	<u>As at 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
Provision for Employee's Benefits ( Refer Note 31)	<u>1,59,43,023</u>	<u>1,37,14,751</u>
	<u><u>1,59,43,023</u></u>	<u><u>1,37,14,751</u></u>

### NOTE 6 : SHORT TERM BORROWINGS

	<u>As at 31<sup>st</sup> March, 2016</u>	<u>As at 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
<b>Secured and Payable on Demand</b>		
Working Capital Loans from Banks	<u>18,54,16,075</u>	<u>17,89,24,122</u>
	<u><u>18,54,16,075</u></u>	<u><u>17,89,24,122</u></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

	<u>As at 31<sup>st</sup> March, 2016</u>		<u>As at 31<sup>st</sup> March, 2015</u>	
	Rupees	Rupees	Rupees	Rupees
<b>Trade Payables</b>				
Due to Micro, Small and Medium Enterprises	1,31,39,391		62,69,175	
Others	<u>9,51,28,846</u>	<u>10,82,68,237</u>	<u>7,36,73,236</u>	<u>7,99,42,411</u>
		<u><u>10,82,68,237</u></u>		<u><u>7,99,42,411</u></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	1,31,39,391	62,69,175
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 in the succeeding year.	Nil	Nil

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 8 : OTHER CURRENT LIABILITIES

	<u>As at 31<sup>st</sup> March, 2016</u>	<u>As at 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
Current Maturities of long term debts ( Refer Note 3 )	10,95,00,000	8,50,43,000
Interest accrued but not due on borrowings	45,79,178	32,26,563
Unclaimed Dividend	12,29,083	11,30,188
Other Payables	9,79,36,809	7,28,38,084
	<u>21,32,45,070</u>	<u>16,22,37,835</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	5,11,54,297	2,92,77,222
b. Advance from Customers	81,99,569	99,16,203
c. Statutory Dues	80,96,072	66,81,674

### NOTE 9 : SHORT TERM PROVISIONS

	<u>As at 31<sup>st</sup> March, 2016</u>	<u>As at 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
Provision for Employee's Benefits ( Refer Note 31 )	1,12,58,445	95,71,170
Provision for Wealth Tax	—	1,22,962
Proposed Dividend	—	55,01,250
Tax on Proposed Dividend	—	9,51,937
Other Provisions	2,48,35,625	2,30,55,132
	<u>3,60,94,070</u>	<u>3,92,02,451</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 10 : FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As At 31st March, 2015	Additions During the Year	Deductions During the Year	As at 31st March, 2016	Upto 31st March, 2015	For the Year	In respect of Assets whose useful lives is over	Deductions During the Year	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>10.1 Tangible Assets</b>											
Leasehold Land	31,58,205	—	—	31,58,205	8,07,612	1,65,872	—	—	9,73,484	21,84,721	23,50,593
Buildings	5,87,38,158	—	—	58,738,158	13,361,392	21,79,810	—	—	1,55,41,202	4,31,96,956	4,53,76,766
Plant & Machinery and Electric Installations	1,07,12,35,499	10,70,55,531	—	1,17,82,91,030	69,49,47,120	6,29,88,200	—	—	75,79,35,320	42,03,55,710	37,62,88,379
Furniture & Fixtures	1,34,32,584	24,387	—	1,34,56,971	74,77,935	10,44,792	—	—	85,22,727	49,34,244	59,54,649
Office Equipments etc	4,10,95,163	22,13,087	13,16,515	4,19,91,735	3,07,10,279	40,47,950	—	12,51,349	3,35,06,880	84,84,855	1,03,84,884
Vehicles	2,23,76,876	—	16,08,612	2,07,68,264	87,24,823	26,18,602	—	8,04,011	1,05,39,414	1,02,28,850	1,36,52,053
Sub Total ( a )	1,21,00,36,485	10,92,93,005	29,25,127	1,31,64,04,363	75,60,29,161	7,30,45,226	—	20,55,360	82,70,19,027	48,93,85,336	45,40,07,324
<b>10.2 Intangible Assets</b>											
Softwares	3,69,21,485	4,92,450	—	3,74,13,935	3,69,21,485	4,92,450	—	—	3,74,13,935	—	—
Sub Total (b)	3,69,21,485	4,92,450	—	3,74,13,935	3,69,21,485	4,92,450	—	—	3,74,13,935	—	—
<b>TOTAL ( a + b )</b>	<b>1,24,69,57,970</b>	<b>10,97,85,455</b>	<b>29,25,127</b>	<b>1,35,38,18,298</b>	<b>79,29,50,646</b>	<b>7,35,37,676</b>	<b>—</b>	<b>20,55,360</b>	<b>86,44,32,962</b>	<b>48,93,85,336</b>	<b>45,40,07,324</b>
PREVIOUS YEAR	1,43,21,57,671	10,57,27,494	29,09,27,195	124,69,57,970	96,44,74,201	6,41,52,766	53,09,865	24,09,86,186	79,29,50,646	45,40,07,324	
10.3 Capital Work-in -Progress										16,61,10,707	2,23,90,264
10.4 Intangible assets under development										85,53,517	85,53,517
<b>10.5 a)</b> Capital Work- in Progress includes Project & Pre- Operative Expenditure Rs. 62,13,450 (Previous year Rs. 33,64,064) pending allocation.											
<b>b)</b> Intangible Assets under development includes Project & Pre- Operative Expenditure Rs. 4,88,758 (Previous year Rs. 4,88,758) pending allocation.											

### NOTE 11 : NON CURRENT INVESTMENTS

Particulars	Face Value Rupees	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
		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	2,300	55,200	2,300	55,200
			<u>55,200</u>		<u>55,200</u>
<b>11.2 Market Value of Quoted Investments</b>			69,690		97,405

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

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

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Rupees		Rupees	
Capital Advances	15,95,316		5,27,922	
Security Deposits	21,78,884		22,41,054	
	<u>37,74,200</u>		<u>27,68,976</u>	

### NOTE 13 : INVENTORIES

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Rupees		Rupees	
Raw Materials	8,23,80,773		8,32,10,406	
Work-In-Progress	3,52,14,658		4,04,95,342	
Finished Goods	1,50,03,163		98,53,353	
Traded Goods	52,25,170		78,11,882	
Stores Spare and Packing Materials	5,33,19,161		3,03,13,609	
Scrap	3,92,495		4,75,365	
	<u>19,15,35,420</u>		<u>17,21,59,957</u>	

#### 13.1 The above include

##### a) Materials in transit :

Raw Materials	2,18,30,226	1,27,01,128
Trading Goods	5,42,080	—
Stores Spare and Packing Materials	92,21,869	3,53,535

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

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Rupees	Rupees	Rupees	Rupees
<b>Trade Receivable outstanding for a period exceeding six months from the date they are due for payment :</b>				
Considered Good	6,45,79,127		4,35,50,389	
Considered Doubtful	72,99,156		49,60,334	
	<u>7,18,78,283</u>		<u>4,85,10,723</u>	
Less : Provision for Doubtful Debts	<u>72,99,156</u>	6,45,79,127	<u>49,60,334</u>	4,35,50,389
<b>Others</b>				
Considered Good		34,27,87,004		33,24,23,227
		<u>40,73,66,131</u>		<u>37,59,73,616</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

**NOTE 15 : CASH AND BANK BALANCES**

	<u>As at 31<sup>st</sup> March, 2016</u>	<u>As at 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
<b>Cash and Cash Equivalent</b>		
<b>Balances with Banks :</b>		
In Current Account	1,07,28,990	2,45,54,842
Cheques on Hand	17,16,633	—
Cash on Hand	8,27,971	6,59,612
<b>Other Bank Balance</b>		
On Fixed Deposit Accounts	2,12,22,000	2,10,87,000
	<u>3,44,95,594</u>	<u>4,63,01,454</u>

15.1 Balance with Banks includes Unclaimed Dividend of Rs. 12,29,083 ( Previous year Rs 11,30,188)

15.2 Fixed Deposits Receipts for Rs. 2,12,22,000 (Previous year Rs. 2,10,87,000) 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)**

	<u>As at 31<sup>st</sup> March, 2016</u>	<u>As at 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
Advance Tax ( net)	66,54,307	67,14,603
Balance with Central Excise Department	38,20,112	18,47,651
Other Loans & Advances	2,12,70,595	2,10,25,053
	<u>3,17,45,014</u>	<u>2,95,87,307</u>

16.1 Advance Tax shown as net of tax provisions and after adjustment of MAT credit entitlement Rs. 49,89,682 (Previous year Rs. 39,57,000).

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

	<u>As at 31<sup>st</sup> March, 2016</u>	<u>As at 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
Claims Subsidy Benefits etc. receivable	6,29,66,334	3,28,57,274
	<u>6,29,66,334</u>	<u>3,28,57,274</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 18 : REVENUE FROM OPERATIONS

	For the Year Ended 31 <sup>st</sup> March, 2016		For the Year Ended 31 <sup>st</sup> March, 2015	
	Rupees	Rupees	Rupees	Rupees
Sale of Finished & Trading goods	1,07,35,56,680		1,07,34,86,311	
Incomes from Services	43,11,653		66,667	
Other operating Revenues	24,60,844	1,08,03,29,177	43,87,127	1,07,79,40,105
Less : Excise Duty		8,60,54,411		8,54,30,512
		<u>99,42,74,766</u>		<u>99,25,09,593</u>

### NOTE 19 : OTHER INCOME

	For the Year Ended 31 <sup>st</sup> March, 2016		For the Year Ended 31 <sup>st</sup> March, 2015	
	Rupees	Rupees	Rupees	Rupees
<b>Interest :</b>				
On Fixed Deposits	21,42,530		19,70,870	
From Others	1,49,595	22,92,125	1,73,537	21,44,407
<b>Dividend</b>		--		1,150
<b>Miscellaneous Income</b>		89,526		2,95,409
<b>Liabilities no longer required written back</b>		9,83,291		21,639
		<u>33,64,942</u>		<u>24,62,605</u>

### NOTE 20 : COST OF MATERIAL CONSUMED

	For the Year Ended 31 <sup>st</sup> March, 2016		For the Year Ended 31 <sup>st</sup> March, 2015	
	Rupees	% of Consumption	Rupees	% of Consumption
Imported	19,86,91,935	69.67%	23,97,62,511	79.32%
Indigenous	8,65,06,275	30.33%	6,24,95,638	20.68%
	<u>28,51,98,210</u>		<u>30,22,58,149</u>	

#### 20.1 Particulars of Material Consumed :

Monofilament yarn	12,18,86,104	13,32,59,445
Chemicals	15,20,54,383	15,86,20,911
Others	1,12,57,723	1,03,77,793

## 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, 2016		For the Year Ended 31 <sup>st</sup> March, 2015	
	Rupees	Rupees	Rupees	Rupees
<b>Inventories ( at close)</b>				
Finished Goods	1,50,03,163		98,53,353	
Stock - in - Trade	52,25,170		78,11,882	
Work in Progress	3,52,14,658		4,04,95,342	
Scrap	<u>3,92,495</u>		<u>4,75,365</u>	
	<u>5,58,35,486</u>		<u>5,86,35,942</u>	
<b>Inventories (at commencement)</b>				
Finished Goods	98,53,353		82,79,438	
Stock - in - Trade	78,11,882		47,73,712	
Work in Progress	4,04,95,342		4,27,45,897	
Scrap	<u>4,75,365</u>		<u>4,75,498</u>	
	<u>5,86,35,942</u>		<u>5,62,74,545</u>	
<b>Change in Inventories</b>		<u>28,00,456</u>		<u>(23,61,397)</u>

### NOTE 22 : EMPLOYEES BENEFITS EXPENSES

	For the Year Ended 31 <sup>st</sup> March, 2016		For the Year Ended 31 <sup>st</sup> March, 2015	
	Rupees		Rupees	
Salaries Wages Bonus etc.	17,52,03,174		15,69,43,666	
Contribution to Provident Gratuity and Other funds (Refer Note 31)	72,39,760		80,26,561	
Employees Welfare Expenses	<u>23,41,613</u>		<u>33,59,978</u>	
	<u>18,47,84,547</u>		<u>16,83,30,205</u>	

### NOTE 23 : FINANCE COST

	For the Year Ended 31 <sup>st</sup> March, 2016		For the Year Ended 31 <sup>st</sup> March, 2015	
	Rupees	Rupees	Rupees	Rupees
<b>Interest Expenses</b>				
On Long Term Loans	2,13,25,448		2,23,75,902	
To Others	<u>2,34,39,697</u>	<u>4,47,65,145</u>	<u>1,81,73,310</u>	<u>4,05,49,212</u>
<b>Other Borrowing costs</b>		<u>14,29,046</u>		<u>5,67,448</u>
		<u>4,61,94,191</u>		<u>4,11,16,660</u>

### NOTE 24 : DEPRECIATION AND AMORTISATION EXPENSES

	For the Year Ended 31 <sup>st</sup> March, 2016		For the Year Ended 31 <sup>st</sup> March, 2015	
	Rupees		Rupees	
Depreciation and amortisation ( Refer Note 10 )	7,35,37,676		6,41,52,766	
	<u>7,35,37,676</u>		<u>6,41,52,766</u>	



## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 25 : OTHER EXPENSES

	For the Year Ended 31 <sup>st</sup> March, 2016	For the Year Ended 31 <sup>st</sup> March, 2015
	Rupees	Rupees
Consumption of Stores & Spare	3,95,37,001	3,33,95,688
Packing	4,49,66,829	4,37,31,402
Power and Fuel	2,68,69,704	2,18,09,014
Job Charges	2,57,14,016	2,31,41,386
Plant & Machinery Repairs	63,88,154	62,67,126
Freight & Forwarding Charges	1,47,75,788	1,85,12,926
Sales Commission	1,50,32,424	1,42,59,345
Rebate on Sales and Compensation	2,71,35,548	2,03,62,737
Sales Tax	1,55,58,048	1,55,97,774
Rent	28,83,311	28,90,428
Rates & Taxes (excluding taxes on Income)	3,50,506	8,16,242
Insurance	37,50,909	1,27,47,548
Building & Road Repairs	37,30,175	56,02,879
Travelling & Conveyance Expenses	4,26,39,165	3,96,29,396
Miscellaneous Expenses	6,95,02,333	6,15,79,055
Sundry Balances Adjusted (net)	2,08,067	10,57,467
Loss on Sale of Fixed Assets ( net)	3,76,841	26,10,917
Assets Written off	-	43,298
Adjustment in respect of earlier years (net)	4,10,333	7,35,223
	<u>33,98,29,152</u>	<u>32,47,89,851</u>

#### 25.1 Value of Stores and Spares Consumed

	For the Year Ended 31 <sup>st</sup> March, 2016		For the Year Ended 31 <sup>st</sup> March, 2015	
	Rupees	% of Consumption	Rupees	% of Consumption
Imported	2,14,39,626	54.23%	1,65,36,650	49.52%
Indigenous	1,80,97,375	45.77%	1,68,59,038	50.48%
	<u>3,95,37,001</u>		<u>3,33,95,688</u>	

#### 25.2 Miscellaneous Expenses includes :-

	Rupees	Rupees
(a) Fees and out-of-pocket expenses paid / payable to Auditors.		
i) For Services as Auditors	2,37,500	2,57,188
ii) For Certifications	38,068	41,575
iii) For Company Law Matters	--	28,090
	<u>2,75,568</u>	<u>3,26,853</u>
(b) Foreign exchange fluctuation	23,20,270	-89,91,500
(c) Difference between excise duty on opening and closing stock of finished goods	-6,28,085	8,73,692
(d) Bad Debts written off	11,58,245	2,50,000
(e) Directors' sitting fee	8,40,000	8,90,000

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

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

	<u>For the Year Ended 31<sup>st</sup> March, 2016</u>	<u>For the Year Ended 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
Raw Materials	17,17,50,837	18,36,63,372
Stores & Spare Parts	2,72,09,387	1,57,60,100
Capital Goods	24,20,51,325	4,82,20,297

### 27 EXPENDITURE IN FOREIGN CURRENCY :

	<u>For the Year Ended 31<sup>st</sup> March, 2016</u>	<u>For the Year Ended 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
Professional Services	28,60,114	24,56,290
Interest	25,893	—
Other Matters	3,34,80,977	3,15,43,484

### 28 EARNINGS IN FOREIGN EXCHANGE :

	<u>For the Year Ended 31<sup>st</sup> March, 2016</u>	<u>For the Year Ended 31<sup>st</sup> March, 2015</u>
	Rupees	Rupees
Export of goods on FOB basis	22,58,65,630	23,23,31,818
Consultation fee	43,11,653	—
Other Income	—	1,39,725

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

#### 29.1 Contingent Liabilities :

- a) Guarantees issued by banks for Rs. 49,96,322 (Rs. 53,29,078 )
- b) Letters of Credits issued by banks for Rs. 8,55,168 (Rs.13,53,686 )
- c) Claims against the Company not acknowledged as debt Rs. 6,99,429 (Rs. 6,73,269 )
- d) Demands / Claims by various Government Authorities not acknowledge as debt :
  - i) Sales Tax of Rs. 33,87,801 (Rs. 49,05,193) pending appeals on account of non submission of declaration forms and other matters.
  - ii) Excise Duty Rs. 5,20,230 (Rs. 5,20,230 ) pending appeals.

#### 29.2 COMMITMENTS :

- a) Estimated amount of Contract remaining to be executed on capital account not provided for Rs. 6,53,144 (Rs. 48,21,543) advances paid Rs. 22,48,460 (Rs. 5,27,922).

### 30 EARNING PER SHARE ( EPS) :

	<u>2015-16</u>	<u>2014-15</u>
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	1,41,64,470	3,78,59,240
c) Basic and Diluted earning per share (Rs.)	4.63	12.39

## 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 :

A) Assumptions	As on 31/03/2016	As on 31/03/2015
Discount Rate	8%	8%
Salary Escalation	8%	7%
<b>B) Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of year	<b>78,25,742</b>	75,97,839
Interest cost	<b>6,26,059</b>	6,07,827
Current Service Cost	<b>6,77,670</b>	6,61,861
Benefits Paid	<b>-9,17,884</b>	-12,85,326
Actuarial (gain)/Loss on obligations	<b>-8,09,310</b>	2,43,541
Present value of obligations as at end of year	<b>74,02,277</b>	78,25,742
<b>C) Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	<b>44,45,084</b>	46,81,292
Expected return on plan assets	<b>3,55,122</b>	3,71,448
Contributions	<b>6,21,232</b>	6,77,670
Benefits paid	<b>-9,17,884</b>	-12,85,326
Actuarial Gain / (Loss) on Plan assets	<b>NIL</b>	NIL
Fair value of plan assets at the end of year	<b>45,03,554</b>	44,45,084
<b>D) Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	<b>44,45,084</b>	46,81,292
Actual return on plan assets	<b>3,55,122</b>	3,71,488
Contributions	<b>6,21,232</b>	6,77,670
Benefits Paid	<b>-9,17,884</b>	-12,85,326
Fair value of plan assets at the end of year	<b>45,03,554</b>	44,45,084
Funded status	<b>-28,98,723</b>	-33,80,658
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	<b>NIL</b>	NIL
<b>E) Actuarial Gain/Loss recognized</b>		
Actuarial gain/(Loss) for the year -Obligation	<b>8,09,310</b>	-2,43,541
Actuarial (gain)/Loss for the year - plan assets	<b>NIL</b>	NIL
Total (gain)/Loss for the year	<b>-8,09,310</b>	-2,43,541
Actuarial (gain)/Loss recognized in the year	<b>-8,09,310</b>	-2,43,541
<b>F) The amounts to be recognized in the balance sheet and statements of profit and loss</b>		
Present value of obligations as at the end of year	<b>74,02,277</b>	78,25,742
Fair value of plan assets as at the end of the year	<b>45,03,554</b>	44,45,084
Funded status	<b>-28,98,723</b>	-33,80,658
Net Asset/(liability) recognized in balance sheet	<b>-28,98,723</b>	-33,80,658

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

- G) Expenses Recognised in statement of Profit & Loss
- |   |                  |           |
|---|------------------|-----------|
| Current Service cost                              | <b>6,77,670</b>  | 6,61,861  |
| Interest Cost                                     | <b>6,26,059</b>  | 6,07,827  |
| Expected return on plan assets                    | <b>-3,55,122</b> | -3,71,448 |
| Net Actuarial (gain)/Loss recognised in the year  | <b>-8,09,310</b> | 2,43,541  |
| Expenses recognised in statement of Profit & loss | <b>1,39,297</b>  | 11,41,781 |
- b) The Company has paid the managerial remuneration arrears as per the approval of The Central Government, Ministry of Corporate Affairs during the year.

**32** Purchase of Raw Materials includes transfer from Trading Goods Rs. 1,28,85,124 (Rs. 2,36,49,912).

### 33 SEGMENT INFORMATION :

- i) The Company is organised into two main business segments :
- Paper Mill Products - Comprising of Technical Textiles, Chemicals and Equipments mainly for Paper Mills.
  - 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 :

	<b>Paper Mill Products (Rupees)</b>	<b>Wind Power (Rupees)</b>	<b>Total (Rupees)</b>
Revenue			
External	<b>97,95,73,764</b>	<b>1,47,01,002</b>	<b>99,42,74,766</b>
	(97,59,47,558)	(1,65,62,035)	(99,25,09,593)
Inter segment sales	—	<b>10,55,214</b>	<b>10,55,214</b>
	(—)	(13,19,978)	(13,19,978)
	<b>97,95,73,764</b>	<b>1,57,56,216</b>	<b>99,53,29,980</b>
	(97,59,47,558)	(1,78,82,013)	(99,38,29,571)
Total Revenue			
Result			
Segment result (before interest and tax)	<b>11,04,48,736</b>	<b>12,53,815</b>	<b>11,17,02,551</b>
	(12,75,88,870)	(13,91,056)	(12,89,79,926)
Unallocated expenditure net of unallocated Income			<b>5,66,36,566</b>
			(5,57,98,517)
Operating Profit			<b>5,50,65,985</b>
			(7,31,81,409)
Interest Expenses			<b>4,47,65,145</b>
			(4,05,49,212)
Interest Income			<b>22,92,125</b>
			(21,44,407)
Profit before Taxation and exceptional items			<b>1,25,92,965</b>
			(3,47,76,604)
Provision for Taxation			<b>-15,71,505</b>
			(-30,82,636)
Profit after taxation and before exceptional items			<b>1,41,64,470</b>
			(3,78,59,240)
Exceptional Items			—
			(—)
Net Profit			<b>1,41,64,470</b>
			(3,78,59,240)

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

	Paper Mill Products (Rupees)	Wind Power (Rupees)	Total (Rupees)
Segment Assets	1,22,72,58,654 (97,55,57,375)	8,56,44,225 (9,08,05,054)	1,31,29,02,879 (1,06,63,62,429)
Unallocated Assets			9,29,53,731 (9,02,12,792)
Total Assets			<u>1,40,58,56,610</u> (1,15,65,75,221)
Segment Liabilities	23,19,41,392 (17,82,89,235)	35,95,288 (5,25,362)	23,55,36,680 (17,88,14,597)
Unallocated Liabilities			75,10,04,539 (57,26,09,703)
Total Liabilities			<u>98,65,41,219</u> (75,14,24,300)
<b>Other Information</b>			
Capital Expenditure	10,97,85,455 (10,57,27,494)	— (—)	10,97,85,455 (10,57,27,494)
Unallocated Capital Expenditure			— (—)
Total Capital Expenditure			<u>10,97,85,455</u> (10,57,27,494)
Depreciation	6,33,53,604 (5,26,04,470)	1,01,84,072 (1,15,48,296)	7,35,37,676 (6,41,52,766)
Unallocated Depreciation			— (—)
Total Depreciation			<u>7,35,37,676</u> (6,41,52,766)
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	76,13,36,609 (75,64,82,064)	23,29,38,157 (23,60,27,529)	99,42,74,766 (99,25,09,593)
Intersegment	10,55,214 (13,19,978)	— (—)	10,55,214 (13,19,978)
<b>TOTAL</b>	<u>76,23,91,823</u> (75,78,02,042)	<u>23,29,38,157</u> (23,60,27,529)	<u>99,53,29,980</u> (99,38,29,571)

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

34. Information regarding related parties as required by Accounting Standard 18 “ Related Party Disclosures” notified under section 133 of the Companies Act, 2013

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 or their relatives exercises significant influence :

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

b) Key Management personnel

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

c) Relatives of Key Management personnel

- i) Ms. Pranika Khaitan D/o Mr. M.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

	For the Year Ended 31 <sup>st</sup> March, 2016 Rupees	For the Year Ended 31 <sup>st</sup> March, 2015 Rupees
i) Purchase and receiving of Services	4,04,99,170	6,51,23,735
ii) Rent Paid	13,25,178	13,25,178
iii) Outstanding - Payable ( Net)	1,17,26,379	62,20,525
iv) Outstanding - Receivable ( Net)	Nil	Nil
v) Provisions for doubtful debts /amounts written off /written back	Nil	Nil

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

i) Remuneration	3,76,62,120	2,96,04,081
ii) Outstanding - Payable	Nil	Nil
iii) Provisions for doubtful debts /amounts written off /written back	Nil	Nil

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

i) Remuneration	Nil	81,62,322
ii) Fee for attending the Board Meetings	1,20,000	45,000
iii) Outstanding - Payable	Nil	Nil
iv) Provisions for doubtful debts /amounts written off /written back	Nil	Nil

35 RESEARCH & DEVELOPMENT EXPENDITURE :

	For the Year Ended 31 <sup>st</sup> March 2016 Rupees	For the Year Ended 31 <sup>st</sup> March 2015 Rupees
Capital Expenditure ( included in Plant & Machinery)	4,61,894	38,74,033
Revenue Expenditure	2,68,62,952	2,91,56,896

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, 2016 and the Statement of Profit and Loss for the year ended on that date.

<p><b>CENTRE POINT</b> 21, Old Court House Street Kolkata - 700 001 The 25th day of May, 2016</p>	<p>For <b>S.S.KOTHARI &amp; CO.</b> Chartered Accountants Firm Reg. No. 302034E <b>R. N. BARDHAN</b> Partner M. No. 17270</p>	<p>For and on behalf of the Board</p> <p><b>Rajesh Patni</b> CFO</p> <p><b>Amit Dhanuka</b> Company Secretary</p> <p><b>K. K. Khaitan</b> Chairman cum Managing Director</p> <p><b>M. K. Khaitan</b> Managing Director</p>
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# OUR QUALITY POLICY

## *Quality*

is the basis for all our actions.

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## *Quality improvement*

is the job of every member

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Our focus is to

## *Consistently delight our customers*

with our value added products and service

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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**