

Wires and Fabriks (S.A.) Ltd

AN ISO 9001 : 2000 COMPANY



ANNUAL REPORT

2001-2002

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OUR PRODUCTS RANGE
★ Paper Machine Clothing
★ Paper Making Chemicals
★ EDM Wires
★ Filter Fabrics

Directors

M. P. JATIA	<i>Chairman</i>
S. AJMERA	
M. L. BHAGAT	
K. K. KHEMKA	
D. D. TRIVEDI	
M. K. KHAITAN	<i>Executive Director</i>
K. K. KHAITAN	<i>Joint Managing Director</i>
B. K. KHAITAN	<i>Managing Director</i>

Secretary

A. K. MUCHHAL

Auditors

S. S. Kothari & Co.

Registered Office

7, Chittaranjan Avenue,
Kolkata - 700 072.



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WIRES AND FABRIKS (S.A.) LIMITED

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

NOTICE OF THE ANNUAL GENERAL MEETING-2002

NOTICE is hereby given that the FORTY-FIFTH Annual General Meeting of the Members of the Company will be held at Seminar Hall, Science City, Junction of E M Bye Pass & JBS Haldane Avenue, Kolkata - 700 046 on Saturday, the 24th day of August, 2002, at 10:30 A.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2002 together with Directors' Report and Auditors' Report thereon.
2. To declare a dividend on the equity shares.
3. To appoint a Director in place of Mr. M. L. Bhagat, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M. K. Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED that Mr. Satish Ajmera, who was appointed as an additional Director in terms of Section 260 of the Companies Act, 1956 read with Articles 103 of the Company's Articles of Association and who holds such office until the conclusion of this Annual General Meeting, be and is hereby appointed as a Director of the Company, whose period of office will be liable to determination by retirement of Directors by rotation."

By order of the Board

Kolkata
29th June, 2002

A.K.MUCHHAL
Company Secretary

NOTES:

- (a) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special Business under item No. 6 as set out above is annexed hereto.
- (b) **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.**
- (c) The Register of Beneficial Owners, Register of Members and share transfer books of the Company shall remain closed from Monday, 19th August, 2002 to Saturday, 24th August, 2002, (both days inclusive).
- (d) Payment of Dividend for the financial year ended 31st March, 2002 if approved and declared at the forthcoming Annual General Meeting will be paid, in case of physical shareholding to those members whose names appear in the Register of Members of the Company as on 24th August, 2002 and in case of dematerialised shareholding



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to those Beneficiaries appearing in the records of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd.(CDSL) as at the close of working hours on Friday, 16th August, 2002, subject to the provisions of Section 206A of the Companies Act, 1956. Tax will be deducted at source at the applicable rates on such dividend where the dividend exceeds Rs.1000. Shareholders whose annual Income is not likely to exceed the taxable limits are requested to submit Form no. 15G duly filled, signed and verified in the manner prescribed in the said Form, to the Company latest by Saturday, 17th August, 2002 to enable the Company to pay such dividend without deduction of tax at source.

- (e) Members holding physical shares who have not forwarded earlier the details of their bank account numbers and the names & addresses of the bank branches are requested again to advise the same to the Company quoting their Folio Number(s) for incorporating these details on dividend warrants to avoid fraudulent encashment. If shares are held in demat form, the same has to be notified to the concerned Depository Participant (where you maintain your securities Account).
- (f) **Now trading in equity shares of the Company through stock exchanges is permitted only in dematerialised form. The Company's ISIN No. is INE469D01013. Shareholders can open account with any of the depository participants registered with NSDL/CDSL for dematerialisation of their physical Shares.**
- (g) As per the provisions of the Companies Act, 1956, 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 for nomination in the prescribed Form 2B duly filled in and signed to the 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. The members holding shares in dematerialised form may contact and consult their respective depository participants (DP) for availing the nomination facility.
- (h) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the financial year 1993-94 stands transferred to General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants upto the said year are requested to claim the same by submitting an application in prescribed Form No. II to the Registrar of the Companies, West Bengal, Nizam Palace, 234/4, Acharya Jagdish Chandra Bose Road, Kolkata-700 020. In case any assistance is required, please write to the Company at its Registered office address.
- (i) **Shareholders who have so far either not received or have not encashed dividend warrants for any of the financial years '94-95, '95-96, '96-97, '97-98, '98-99, '99-2000 (Interim) and 2000-01 may claim or approach the Company for the payment.**

Pursuant to provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year 1994-95 and thereafter, which remained unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection fund of the Central Government. **It may also be noted that once the unclaimed dividend is transferred to the Central Government as above, no claim will lie in respect thereof.**

- (j) Members are requested to intimate to the Company their Queries, if any, regarding accounts at least 7 days before the meeting to enable the management to keep the information required ready at the meeting.
- (k) Members/proxies should bring the attendance slips duly filled in for attending the meeting. Members/Proxies are also requested to bring their Copy of Annual Report to the Meeting.
- (l) • The Equity Shares of the Company are listed at the following Stock Exchanges:-

The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata - 700 001

The Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

The Annual listing fees upto the financial year 2002-2003 has been paid to each of the above Stock Exchanges.



- The Company has applied for voluntary delisting of its equity shares from **The Delhi Stock Exchange Association Ltd., DSE House, 3/1, Asaf Ali Road, New Delhi-110 002** on 03/03/2000, confirmation of which is still awaited. The Annual listing fees to the said Stock Exchange has been paid upto the financial year 1999-2000.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

As required by Section 173(2) of the Companies Act, 1956, the following explanatory statement set out material facts relating to the Special Business under item number 6 of the accompanying Notice dated 29th, June, 2002.

ITEM NO. 6

The Board of Directors had appointed Mr. Satish Ajmera as an additional Director of the Company with effect from 29th November, 2001 under Section 260 of the Companies Act, 1956 read with Article 103 of the Company's Articles of Association. He holds office till the date of ensuing Annual General Meeting but is eligible for re-appointment. The Company has received a notice in writing alongwith requisite deposit from a Member pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Satish Ajmera to the office of Director. It is recommended that Mr. Satish Ajmera be appointed as a Director of the Company.

Except Mr. Satish Ajmera, none of the other Directors of the Company is concerned or interested in the said resolution.

By order of the Board

Kolkata
29th June, 2002

A.K.MUCHHAL
Company Secretary





WIRES AND FABRIKS (S.A.) LIMITED

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

Attendance Slip

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

L. F. No.	DP ID No. *
	Client ID No.*
Name & address	

*Applicable for members holding shares in electronic form

I certify that I am a member/Proxy for the member(s) of the Company. I hereby record my presence at the 45th Annual General Meeting of the Company at Seminar Hall, Science City, Junction of E. M. Bye Pass & JBS Haldane Avenue, Kolkata-700 046 at 10.30 A.M. on 24th August, 2002

Signature of the Member/Proxy

Shareholders are requested to kindly bring their copies of Annual Report to the meeting hall.



Please cut along this line

WIRES AND FABRIKS (S. A.) LIMITED

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

Proxy Form

I/We _____
of _____
being a member(s) of WIRES AND FABRIKS (S.A.) LIMITED hereby appoint _____
_____ of _____
failing whom _____ of _____
failing whom _____ of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 45th Annual General Meeting of the Company to be held on 24th August, 2002 at 10.30 A.M. at Seminar Hall, Science City, Junction of E.M. Bye Pass & JBS Haldane Avenue, Kolkata - 700 046 or at any adjournment thereof.

Signed this _____ day of _____ 2002.

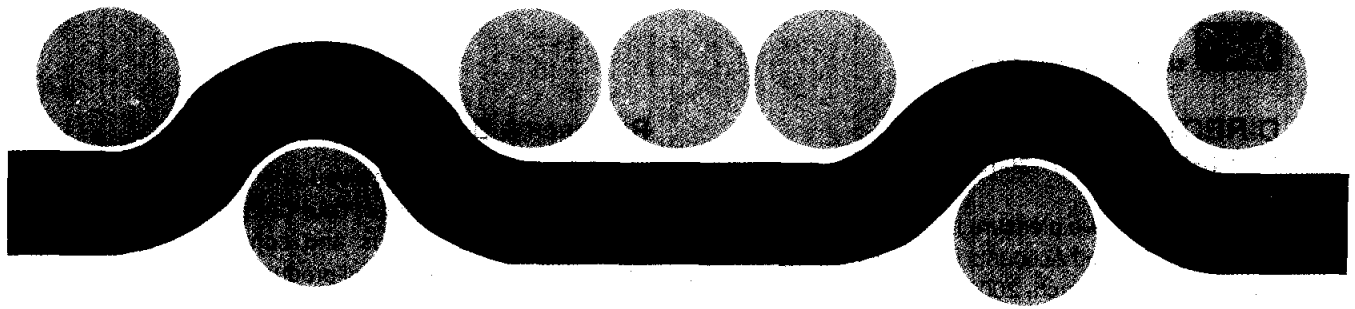
Signature

L. F. No.	DP ID No.*
	Client ID No.

Affix 30 Paise Revenue Stamp

* Applicable for members holding shares in electronic form

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



In 1963, at Jaipur, with German Machinery and technology, the Company started manufacturing Phosphor Bronze wire cloth for use in the paper industry.

Since then, some of the major milestones in respect to new product launches have been as follows :

1974 — Stainless Steel Wire cloth

1981 — Synthetic Fabrics (Single Layer) with German collaboration

1986 — Synthetic Fabrics (Double Layer) with German collaboration

1994 — Technical/Filter Fabrics

1996 — Triple Layer synthetic fabrics — Patented —

1999 — Dryer Screens for paper Industry

Today, Wires & Fabriks is the market leader in India for Forming Fabrics and the only manufacturer in India — and among the few in world— for Triple Layer Fabrics, which represents the latest in Forming Fabrics Technology.

In 1998, the Company established a Chemical Division. Through this, a new product line of Paper Making Chemicals was introduced. The Company has a tie up with some of the best overseas paper making chemical manufacturers and is steadily establishing its feet in this area.

In August 2001, the Company has been awarded accreditation under the new ISO 9001 :2000 system after being the first company in its field in India with an ISO 9002 certification in 1994. The Company is the first and only manufacturer of technical/industrial fabrics in the country to have its in-house R&D recognized by the Govt. of India.

Today the company exports to over twenty countries and constantly updates itself with modern machines and the latest technology.

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.



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DIRECTORS' REPORT FOR THE YEAR 2001-2002

Your Directors have pleasure in presenting the Annual Report and Audited Accounts of your Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	31.03.02	31.03.01
Turnover	3265.32	2955.43
PBT	112.80	99.28
PAT	70.17	48.28
Disposable Surplus	306.77	133.04
Appropriations	49.73	73.05
Balance Carried forward	257.04	59.99

DIVIDEND

The Directors have recommended to the members a dividend of Rs. 1.20 p per share amounting to Rs. 36.68 Lacs, for the year under review. This was a 20% increase over last year's dividend of Re. 1 per share.

OPERATIONS

The economy in the year, though under revival, continued to give mixed signals. A similar trend continued in the paper sector too. However, once again the basket of products helped your Company to increase sales and improve profitability.

The Paper sector now seems to be moving up with the economy. The upswing which was extremely slow in the previous year is now being strengthened with higher paper prices and increased domestic off take. An improved year for the Paper Industry looks certain. The Chemical Division of your Company has made strong inroads through extensive and successful trials in some of the large paper mills of the country. The coming year will bear the fruits of those trials which will reflect in increased turnover. Copper alloy wire sales has shown considerable improvement this year and we expect a similar trend in the coming year too. Plans for further investments for modernisation and expansion are under way. We see this as the only way to remain competitive and gain new markets.

RESEARCH & DEVELOPMENT

Your Company has received the ISO 9001:2000 certification during the year. Your Company has always taken R&D as a serious and continuous activity. Emphasis on development of products to suit customer requirements and in-house modernisation of equipments & process is being done regularly. With a view of giving special emphasis to new products and consistent quality, your Company is planning to invest further in R&D, so as to be ready to take advantage of its results in the future.

DIRECTORS

Mr. M. L. Bhagat and Mr. M. K. Khaitan retire from the Board and being eligible, offer themselves for re-appointment. Mr. Satish Ajmera, who was appointed as an additional director on the Board with effect from 29.11.2001 holds such office till the ensuing Annual General Meeting of the Company in terms of Article 103 of the Articles of Association of the Company and being eligible offers himself for re-appointment as a Director liable to retire by rotation. The Board recommends their re-appointment. The necessary resolutions for these appointments will be placed before you for approval in the Annual General meeting.

AUDITORS

M/s S.S.Kothari & Company, Chartered Accountants, auditors of the Company, retire from office and being eligible, offer themselves for re-appointment. The necessary resolution for their appointment will be placed before you for approval in the Annual General meeting. The qualifications in the Auditors report and relevant note in the accounts are self-explanatory and does not require any further clarification.

DIRECTORS' RESPONSIBILITY STATEMENT & OTHER INFORMATION

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- That in the preparation of the Accounts for the Financial Year ended 31st March, 2002, the applicable accounting standards have been



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followed alongwith proper explanation relating to material departures.

- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profit or loss of the Company for the year under review.
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended 31st March, 2002 on a going concern basis.

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies

(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure to the Report.

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, is not given as none of the employees is covered under the provisions of the said section.

The Company is taking necessary steps for timely compliance of provisions of Corporate Governance.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the customers, financial institutions, banks, investors, suppliers, government agencies and other associates for their valuable assistance and continued support and confidence in your Company. Your Directors also place on record their deep appreciation to all employees of your Company for their services during the year.

Kolkata
29th June, 2002

For and on behalf of the Board

B.K.KHAITAN K.K.KHAITAN
Managing Director Jt. Managing Director

Report  Junction.com



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ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Directors, Rules 1988 and forming part of the Directors' Report for the year ended on 31st March, 2002.

A. CONSERVATION OF ENERGY

1. Energy Conservation Measures taken:

The Company continues to lay great emphasis on the conservation of energy and has been taking various measures like study, monitoring and modification of all energy consumption centers.

2. Additional Investments and proposals, if any, being implemented for reduction in consumption of energy:

Continuation of various measures for conservation of energy.

3. Impact of the measures above for reduction of energy consumption and consequent impact on the cost of production of goods:

The measures taken have resulted in optimising energy consumption and savings in cost.

— Improvement of quality systems for recognised quality certifications.

2. Benefit derived as a result of above R&D :

- Various developments.
- Indigenisation.
- Reducing manufacturing / delivery time and cost.
- Attaining recognised quality certifications.
- Developing new markets.
- Development of indigenous know-how.
- Strengthening of the technological base.
- Overcoming of certain weaknesses
- Preparation for the future.

3. Future plan of Action:

- Continuation of various developments.
- Further development of local vendors.
- Conduction of more trials for new/improved products
- More strengthening of infrastructure for R&D.

B. TECHNOLOGY ABSORPTION

Research and Development (R&D)

1. Specific areas in which R&D work carried out by the Company:

- Development of new / improved products / processes / equipments / technology / systems / etc.
- Development of local vendors for imported items.
- Strengthening infrastructure for R&D.

4. Expenditure on R&D : (Rs. in Lacs)

a) Capital	—
b) Revenue	13.84
c) Total	13.84
d) Total R&D Expenditure (as a % of total turnover)	0.42 %