

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


**AN ISO 9001 : 2000 COMPANY**

**ANNUAL REPORT**

**2002-2003**

**CERTIFIED TRUE COPY**

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

  
**Secretary**

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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



wires &amp; fabriks

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

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

### NOTICE OF THE ANNUAL GENERAL MEETING – 2003

NOTICE is hereby given that the FORTY-SIXTH Annual General Meeting of the Members of the Company will be held at Seminar Hall, Science City, JBS Haldane Avenue, Kolkata - 700 046 on Thursday, the 31st day of July, 2003, at 10:30 A.M. to transact the following business :

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 2003 together with Directors' Report and Auditors' Report thereon.
2. To declare dividend on the equity shares for the year ended 31st March, 2003.
3. To appoint a Director in place of Mr. M. P. Jatia, who retires by rotation and who, being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. D. Trivedi, who retires by rotation and who, being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

By order of the Board

Kolkata  
30th June, 2003

A.K. MUCHHAL  
Company Secretary

### NOTES :

- (a) As required by Clause 49 of the Listing Agreement, the informations relating to Directors who are proposed to be re-appointed are given below:

#### Profile of Mr. M. P. Jatia :

Mr. M. P. Jatia, aged 72 years, is a renowned industrialist with interests in diverse Industries. He has been associated with the paper industry since more than 3 decades. He is also actively involved in social activities.

He was appointed as Director & Chairman of the Company in 1984 and since then he has been re-appointed from time to time on retirement by rotation.

He is also director of the following Companies —

Pudumjee Pulp & Paper Mills Ltd., Pudumjee Investment & Finance Co. Ltd., Pudumjee Plant Laboratories Ltd., Kimberly-Clark Pudumjee Ltd., Chem-Mach Pvt. Ltd., The Simplex Mills Co. Ltd., Rajendra Mechanical Industries Ltd., B.L.A. Industries Ltd., Om Sindhori Capital Investments Ltd. and Apollo Mumbai Hospital Ltd.

He is member of Share Transfer Committee of the Board of Directors of Pudumjee Pulp & Paper Mills Ltd.

#### Profile of Mr. D. D. Trivedi :

Mr. D. D. Trivedi, aged 71 years, is a leading management consultant and academician. He is a visiting faculty at Indian Institute of Management, Ahmedabad and distinguished visiting faculty at Entrepreneurship Development



Institute of India. He is also associated with non-profit making institutions. His area of specialisation is in corporate planning & strategy and financial management.

He was appointed as Director in 1984 and since then he has been re-appointed from time to time on retirement by rotation.

He is also Director of the following Companies —

Urja Products Pvt. Ltd., Asim Exports Ltd., Cyclic Chemicals Ltd., Foods & Inns Ltd., MIDCO Containers Ltd., MIDCO Holdings Ltd., Premjyot Fabrics Ltd., Swastik Surfactants Ltd. and Mid East Portfolio Management Ltd.

He is member of the Audit & shareholders Grievances Committee of the Board of Directors of Wires & Fabrics (S.A.) Ltd.

- (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 **Saturday, 26th July, 2003 to Thursday, 31st July, 2003** (both days inclusive).
- (d) Payment of Dividend for the financial year ended 31st March, 2003 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 31st July, 2003 & in case of dematerialised shareholding 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, 25th July, 2003**, subject to the provisions of Section 206A of the Companies Act, 1956.
- (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 No.(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) **Trading in equity shares of the Company through stock exchanges is permitted only in dematerialised form. The Company's ISIN No. is INE 469D01013. 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, A. J. C. 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 '95-96, '96-97, '97-98, '98-99, '99-2000 (Interim), 2000-01 and 2001-02 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 1995-96 and thereafter, which remains unpaid or unclaimed for a period of 7 years will be transferred to Investor Education and Protection fund of the Central Government. *All unclaimed dividends for the financial year 1994-95 stands transferred to the Investor Education and Protection fund of the Central Government. It may 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 2003-04 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.
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# 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 46th Annual General Meeting of the Company at Seminar Hall, Science City, JBS Haldane Avenue, Kolkata-700 046 at 10.30 A.M. on 31st July, 2003.

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 46th Annual General Meeting of the Company to be held on 31st July, 2003 at 10:30 A.M. at Seminar Hall, Science City, JBS Haldane Avenue, Kolkata - 700 046 or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2003.

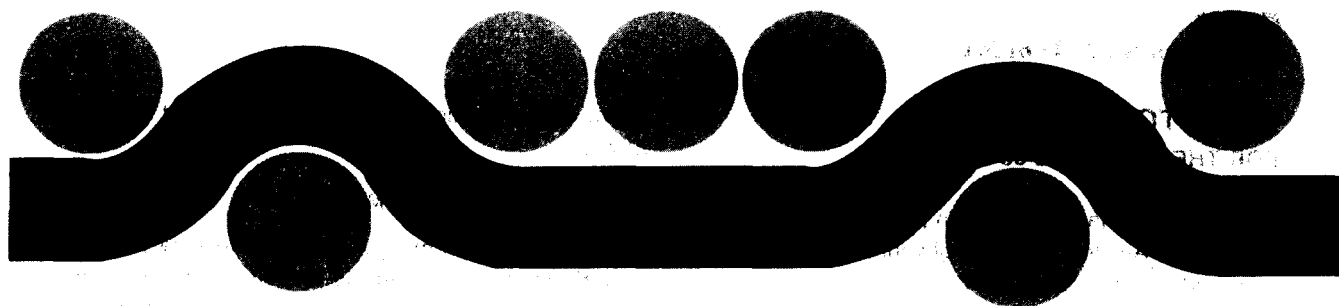
Signature

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 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 manufacturer 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. Recently the company has also successfully entered in the field of Dryer Screens & Paper Making Chemicals both used in the Paper Industry and EDM Wires used in the Machine Tool Industry.*

*Today, Wires & Fabriks is the market leader in India and the sub-continent for Synthetic Forming Fabrics and among the few manufacturers in world for Triple Layer 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.*

*In 2001, the Company was 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 manufacturer of technical/industrial fabrics in the country to have its in-house R&D recognized by the Govt. of India. 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.*



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## DIRECTORS' REPORT FOR THE YEAR 2002-03

Your Directors have pleasure in presenting the Annual Report and Audited Accounts of your Company for the year ended 31st March, 2003.

### FINANCIAL RESULTS

Your Company has been able to close last year with an improved performance. Besides Paper Machine Clothing, Paper Making Chemicals and Copper Alloy Wire sales have also show considerable improvement in the previous year. During the year under review, the turnover and PAT went up by more than 19% and 56% respectively as compared to the previous year. Financial Results for the year in the brief are as under –

	(Rs. in Lacs)	
	31.03.03	31.03.02
<b>Turnover</b>	<b>3892.60</b>	<b>3265.32</b>
PBT	188.93	112.80
<b>PAT</b>	<b>109.80</b>	<b>70.17</b>
Disposable Surplus (including earlier years balance)	372.30	306.77
Appropriations	69.20	49.73
Balance Carried forward	303.94	257.04

### DIVIDEND

The Directors have recommended to the members a dividend of Rs. 1.40 per share, amounting to Rs. 48.27 Lacs, including dividend tax of 12.5% & surcharge thereon, for the year under review.

### FUTURE OUTLOOK

The economy in the previous year, went through mixed revival. The Paper sector however, showed a sure sign of revival and stability. Increased consumer spending, higher demand for quality packaging, superior goods transport infrastructure, will all lead to a higher growth rate of paper consumption. With increased domestic off take and strengthening of exports, together with improved basket of products, your Company sees further improvement in the coming year. Plans for further investments for expansion and modernisation are under way. This will help your Company to remain

ahead of competition, gain new markets and increase sales.

### RESEARCH & DEVELOPMENT

As always your Company continues to take R&D as a serious and continuous activity. New product development to suit customer requirements and in-house modernisation of equipments & process continues to be done regularly. Further investments in R&D is being done to strengthen technology & quality. This will make the Company ready for the future.

### DIRECTORS

Mr. M. P. Jatia & Mr. D. D. Trivedi retire by rotation and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment. The necessary resolutions for these re-appointments will be placed for your approval in the ensuing AGM.

### AUDITORS

M/s. S. S. Kothari & Co., Chartered Accountants, auditors of the Company, retire and being eligible, offer themselves for re-appointment. The necessary resolution for their re-appointment will be placed for your approval in the ensuing AGM. The qualifications in the Auditors report and relevant note in the accounts are self-explanatory and does not require any further clarifications.

### DIRECTORS RESPONSIBILITY STATEMENT & OTHER INFORMATIONS

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, 2003, the applicable accounting standards have been 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 of the Company for the year under review.





wires &amp; fabrics

- 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, 2003 on a going concern basis.

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

### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSIONS & ANALYSIS REPORT**

Corporate Governance Report as required under the listing agreement together with Auditors' certificate concerning compliance with corporate governance and Management Discussions & Analysis Report is given in the Annexure to the Report.

### **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  
30th June, 2003

For and on behalf of the Board

B. K. KHAITAN  
Managing Director

K. K. KHAITAN  
Jt. Managing Director





## 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, 2003.

### A. CONSERVATION OF ENERGY

1. Energy Conservation Measures taken :  
The Company continues to lay great emphasis on the conservation of energy and takes various measures like study, monitoring and modification of energy consumption centers.
2. Additional Investments and proposals 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 on the cost of production of goods :  
The measures taken have resulted in optimising energy consumption and savings in cost.

### B. TECHNOLOGY ABSORPTION

#### Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company :
  - Development of products/processes/equipments, etc.
  - Development of local vendors for imported items.
  - Strengthening infrastructure for R&D.
  - Improvement of quality systems for recognised quality certifications.
2. Benefits derived as a result of above R&D :
  - Various developments.
  - Process consistency.
  - Indigenisation.
  - Reducing manufacturing/delivery time and cost.
  - Continuing recognised quality certifications.
  - Developing new markets.
  - Development of indigenous know-how.
  - Strengthening of the technological base.
  - Increasing ability to compete in the world market.
  - Preparation for the future.

#### 3. Future plan of action :

- Continuation of various developments.
- New products for export market.
- Continuous upgradation of equipments.
- Further strengthening of infrastructure for R&D.

4. Expenditure on R&D :	(Rs. in Lacs)
a) Capital	—
b) Revenue	16.51
c) Total	16.51
d) Total R&D Expenditure (as a % of total turnover)	0.42 %

#### Technology absorption, adoption and innovation

#### 1. Efforts made :

- Training of personnel.
- Absorption/adoption of technology to suit indigenous requirements.
- Analysis and feedback to improve products/processes/equipments, etc.
- Strengthening of R&D.
- Participation in conferences, seminars and exhibitions.

#### 2. Benefits :

- New/improved products/processes/equipments, etc.
- Indigenisation.
- Strengthening of the technological base.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

#### 1. Activities Relating to Exports :

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

#### 2. Total Foreign Exchange used and earned :

	(Rs. in Lacs)
Foreign Exchange earned	552.99
Foreign Exchange used	724.39