



wires & fabriks



Wires and Fabriks (S.A.) Ltd.

AN ISO 9001 : 2000 COMPANY

**ANNUAL REPORT
(ABRIDGED)**

2008-2009

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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

PRANAB MAITY

Auditors

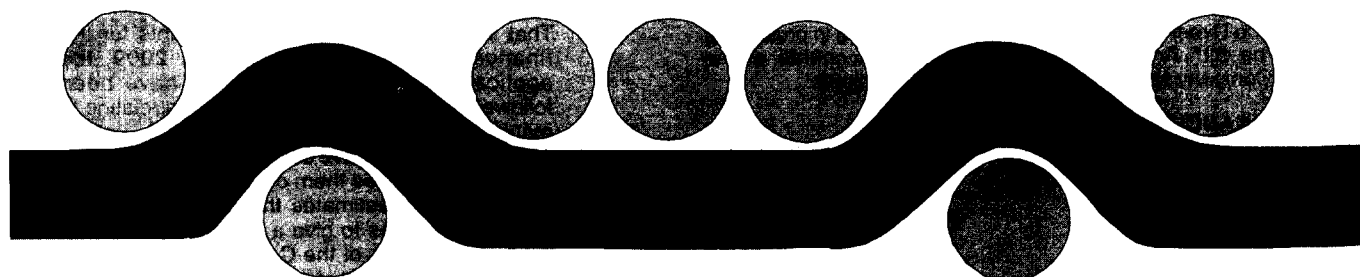
S. S. Kothari & Co.

OUR PRODUCT RANGE

- ★ Paper Machine Clothing
- ★ Paper Making Chemicals

Registered Office

7, Chittaranjan Avenue
Kolkata-700 072



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 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. Recently, the company has also successfully entered in the field of Dryer Screens & Paper Making Chemicals both used in the Paper 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 teamwork which will enable it to become a world-class manufacturer in its existing product line and to use its strength to diversify into other profitable ventures.



DIRECTORS' REPORT FOR THE YEAR 2008-2009

Dear Members,

The Directors of the Company have pleasure in presenting the 52nd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

The financial results, in brief, for the year ended 31st March, 2009 are as under :

	(Rs. in Lacs)	
	31.03.2009	31.03.2008
Total Income	5615.96	5427.98
Profit Before Tax	432.81	432.12
Profit After Tax	254.63	250.22
Disposable Surplus		
(including earlier years balance)	1237.75	1081.24
Appropriations	69.60	98.13
Balance Carried Forward	1168.15	983.11

DIVIDEND

In view of ongoing major modernisation cum expansion project, the Board has decided to keep the rate of dividend unchanged as per previous year and accordingly, has recommended to the Members a dividend of Rs. 1.50 per share, amounting to Rs. 53.63 Lacs, including dividend tax thereon for the financial year ended 31st March, 2009.

OPERATIONS & FUTURE OUTLOOK

During the year under review, the Company achieved growth both in Sales and Profit after Tax. The Company's Expansion cum Modernization Project is under completion, the benefits of which would accrue in the forthcoming years. The Company has set up another Wind Power Plant, during the year under review. The Company has maintained its leadership, due to continuous thrust on Research and Development. The current economic scenario may however affect the results of the Company in short term.

DIRECTORS

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

AUDITORS

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

DIRECTORS' RESPONSIBILITY STATEMENT & OTHER INFORMATION'S

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

- That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the accounts for the financial year ended 31st March, 2009 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 annexed herewith.

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 & MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Kolkata
Dated, the 29th day of May, 2009

B. K. Khaitan
Managing Director

M. K. Khaitan
Executive Director



ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Section 217(l)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended on 31st March, 2009

A. CONSERVATION OF ENERGY

1. Energy Conservation Measures taken:

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

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.

3. Future plan of action:

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

4. Expenditure on R&D :

(Rs. in Lacs)

(a) Capital	3.38
(b) Revenue	54.57
(c) Total	57.95
(d) Total R&D Expenditure	1.04%
(as a % of total turnover)	

B. TECHNOLOGY ABSORPTION

Research & 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 recognized quality certifications.

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

- Various developments.
- Process consistency.
- Indigenisation.
- Reducing manufacturing/delivery time and cost.
- Continuing recognized 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.

1. Efforts made :

- Training of personnel.
- Absorption/adaptation 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 technological base.

C. FOREIGN EXCHANGE EARNINGS & 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 are continuing.

2. Total Foreign Exchange used and earned:

(Rs. in Lacs)

Foreign Exchange earned ,	1011.77
Foreign Exchange used	3674.42



REPORT ON CORPORATE GOVERNANCE

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

The Board is headed by Mr. M. P. Jatia, Non-Executive Chairman and is comprised of eminent persons with considerable experience in varied fields and comprises majority of non-executive and independent Directors. None of the Director of the Company represents any lending/equity investor.

During the year, 10 meetings of the Board of Directors were held on 24/05/08 (12 Noon), 28/06/08 (12.30 P.M. & 1.30 P.M.), 31/07/08 (7.30 A.M. & 8.00 A.M.), 23/10/08 (1.00 P.M. & 1.30 P.M.), 27/01/09 (4.00 P.M. & 4.30 P.M.) and 21/03/09 (3.30 P.M.). The maximum gap between any two meetings was less than four months. The Board was presented with all relevant and necessary information at its meetings including information as required (under the listing agreement. Details of Directors seeking re-appointment in 52nd Annual General Meeting are given with the Notice.

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

Name of Director	Category of Director	No. of Board Meeting Attended	Last AGM Attended	Directorships in other Public Ltd. Companies	Committee* Position in other companies	
					Member	Chairman
Mr. M. P. Jatia <i>Chairman</i>	NEI	-	No	9	1	-
Mr. B. K. Khaitan <i>MD</i>	PE	5	No	8	1	2
Mr. K. K. Khaitan. <i>JMD</i>	PE	3	No	4	-	-
Mr. M. K. Khaitan <i>ED</i>	PE	10	Yes	4	-	-
Mr. S. Ajmera	NEI	9	No	3	-	2
Mr. M. L. Bhagat	NEI	8	Yes	1	-	-
Mr. K. K. Khemka	NEI	3	Yes	3	2	-
Mr. D. D. Trivedi	NEI	9	Yes	3	-	-

NEI : Non Executive & Independent. PE: Promoter & Executive.

* Audit Committee & Shareholders Grievance Committee only.

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. S. Ajmera & Mr. M. L. Bhagat. The terms of reference, role and powers of the Audit Committee are in line with the regulatory requirements mandated by SEBI, the Listing Agreement as well as the Companies Act, 1956. During the year, four meetings of the Audit Committee were held on 28/06/08, 31/07/08, 23/10/08 & 27/01/09. Mr. D. D. Trivedi, Mr. S. Ajmera and Mr. M. L. Bhagat attended 4, 4 & 3 meetings respectively. Company Secretary acts as a Secretary to the Committee.

4. REMUNERATION COMMITTEE

During the period under review. Remuneration Committee headed by Mr. K. K. Khemka comprised of three Non-Executive Independent Directors namely Mr. K. K. Khemka, Mr. S. Ajmera & Mr. D. D. Trivedi. The terms of reference, role and powers of the Committee are in line with the regulatory requirements mandated by SEBI, the Listing Agreement as well as Companies Act, 1956. During the year, one meeting of the Committee was held on 27/01/09, which was attended by Mr. S. Ajmera and Mr. D. D. Trivedi. The Company Secretary acts as a Secretary to the Committee.

Remuneration Policy

The payment of remuneration to the Whole-time Director(s) is governed by the respective agreement between them and the Company. The current tenure of Whole-time Director(s) is for a period of five years with effect from 1st April, 2007 which can be further extended by re-appointing them, subject to the approval by Members in the General Meeting. The Non-Executive Directors are paid sitting fees as approved by the Board/Members and are as per prevailing norms, for attending Board/Committee meetings besides reimbursement of actual travelling and out of pocket expenses. Presently, the Company does not have any scheme for grant of stock options either to the directors or employees of the Company.

The details of remuneration to the Directors during the year is as under: (in Rs)

Name	Salary (Rs.)	Other Benefit (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. M. P. Jatia, <i>Chairman</i>	—	—	—	—
Mr. B. K. Khaitan, <i>MD</i>	72,00,000	8,83,159	—	80,83,159
Mr. K. K. Khaitan <i>JMD</i>	70,80,000	8,64,093	—	79,44,093
Mr. M. K Khaitan <i>ED</i>	69,60,000	8,41,373	—	78,01,373
Mr. S. Ajmera, <i>Director</i>	—	—	1,02,500	1,02,500
Mr. M. L. Bhagat, <i>Director</i>	—	—	75,000	75,000
Mr. K. K. Khemka, <i>Director</i>	—	—	22,500	22,500
Mr. D. D. Trivedi, <i>Director</i>	—	—	1,02,500	1,02,500

5. SHAREHOLDERS GRIEVANCE COMMITTEE

During the period under review, Shareholders Grievance Committee headed by Mr. M. L. Bhagat, comprised of two Non-Executive Directors namely Mr. M. L. Bhagat and Mr. S. Ajmera and one Executive Director, Mr. K. K. Khaitan, Joint Managing Director. The Company Secretary acts as the Secretary to the Committee. The terms of reference, role and powers of the shareholders grievance committee are in line with the regulatory requirement mandated by SEBI and the Listing Agreement. During the year, the Committee met on 28/06/08 (which was attended by Mr. D.D.Trivedi, Mr. S Ajmera and Mr. K. 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 2 complaints during the year and all of them were resolved/ replied within reasonable time.

6. GENERAL BODY MEETING

The last three Annual General Meetings were held on 26/09/08 at 11.00 a.m., 31/07/07 at 11.00 a.m. and 28/07/06 at 11.00 a.m. at Seminar Hall, Science City, JBS Halden Avenue, Kolkata 700 046. All the Special Resolution contained in the respective Notices of the AGM's were passed by the Members. No Special Resolution was passed last year through postal ballot.

7. DISCLOSURES

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

The Company does not have a whistle blower policy. However, no employee has been denied access to the Audit Committee and/or Directors in respect of his/her grievances.