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OUR PRODUCT RANGE
* Paper Machine Clothing
* Paper Making Chemicals

Directors

M. P. JATIA

Chairman

S. AJMERA

M. L. BHAGAT

K. K. KHEMKA

D. D. TRIVEDI

M. K. KHAITAN

Executive Director

K. K. KHAITAN

Joint Managing Director

B. K. KHAITAN

Managing Director

Secretary

M. K. Tiwari

Auditors

S. S. Kothari & Co.

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. The Company's product range now includes Dryer Screens (woven & spiral), Pulp Fabrics and Technical Fabrics for new industry segments where filtration/drying are required.

Today, Wires & Fabriks is the market leader in India and the sub-continent for 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 constantly updates itself with modern machines and latest technology. It also exports its products to over twenty countries.

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

DIRECTORS' REPORT FOR THE YEAR 2009-2010

Dear Members,

The Directors of the Company have pleasure in presenting the 53rd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

The financial results, in brief, for the year ended 31st March, 2010 are as under :

	(Rs. in Lacs)	
	<u>31.03.2010</u>	<u>31.03.2009</u>
Total Income	6677.57	5615.96
Profit Before Tax	515.84	432.81
Profit After Tax	346.29	254.63
Disposable Surplus	1581.72	1236.78
(including earlier years balance)		
Appropriations	72.07	68.63
Balance Carried Forward	1509.65	1168.15

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. 53.46 Lacs, including dividend tax thereon for the financial year ended 31st March, 2010.

OPERATIONS & FUTURE OUTLOOK

During the year under review, the Company performed well with a growth of 18.46% in Sales and 19.18% in Profits. To an extent, this was possible due to the benefits accrued from completion of the major portion of the company's expansion cum modernization project. The balance work is expected to be completed in this financial year.

From 10 million tons production in 2009, the Indian Paper industry is expected to touch 25 million tons by 2020. To maintain the current market leadership and take full advantage of this growth, your company has taken an important step in technology upgradation. The company has entered into a Technical Collaboration with the World Leader in Paper Machine Clothing, Albany International Corp., U.S.A. Under this agreement, Albany will enhance the competence of your company in modern SSB Forming Fabrics manufacturing, application and technical service to World Class levels. Worldwide, over 50% of the paper industry today uses SSB designs of forming fabrics. With the recent expansion cum modernisation, coupled now with the technical collaboration, we foresee an increased market share in the existing and new - large and modern paper machines.

DIRECTORS

Mr. S. Ajmera and Mr. K. K. Khemka 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, 2010, 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, 2010 on a going concern basis.

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

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

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

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

CORPORATE GOVERNANCE and 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.

GROUP FOR INTER SE TRANSFER OF SHARES

As required under Clause 3(1) (e) of the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulation, 1997, persons constituting "Group"

Kolkata

Dated, the 27th day of May, 2010

(within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulation 10 to 12 of the aforesaid regulations, are given in the separate annexure attached herewith and forms part of this Annual Report.

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

B. K. Khaitan
Managing Director

K. K. Khaitan
Jt. Managing Director

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, 9 meetings of the Board of Directors were held on 29 May 2009 (1.00 P.M. & 2.00 P.M.), 28 July 2009 (1.00 P.M. & 1.30 P.M.), 26 October 2009 (1.30 P.M. & 2.00 P.M.), 28 January 2010 (2.00P.M. & 2.30 P.M.) and 29 March 2010 (11.30 A.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 agreements. Details of Directors seeking re-appointment in 53rd 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 Meetings 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	5	No	6	3	—
Mr. B. K. Khaitan, <i>Managing Director</i>	PE	9	Yes	8	1	2
Mr. K. K. Khaitan, <i>Jt. Managing Director</i>	PE	2	Yes	4	—	—
Mr. M. K. Khaitan, <i>Executive Director</i>	PE	9	Yes	4	—	—
Mr. S. Ajmera	NEI	7	Yes	3	—	2
Mr. M. L. Bhagat	NEI	8	Yes	1	—	—
Mr. K. K. Khemka	NEI	6	Yes	3	2	—
Mr. D. D. Trivedi	NEI	7	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. Satish Ajmera, comprised of three Non-Executive Independent Directors namely Mr. Satish Ajmera, Mr. D. D. Trivedi and Mr. M. L. Bhagat. The terms of reference, role and powers of the 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 29 May 2009, 28 July 2009, 26 October 2009 and 28 January 2010. Mr. D. D. Trivedi, Mr. Satish Ajmera and Mr. M. L. Bhagat attended 3, 3 & 4 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 3 Non-Executive Independent Directors namely Mr. K. K. Khemka, Mr. Satish Ajmera and 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 26 October 2009, which was attended by Mr. K. K. Khemka and Mr. Satish Ajmera. The Company Secretary acts as a Secretary to the Committee.

Remuneration Policy

The payment of remuneration to the Whole-time Director(s) are governed by the respective agreement between them and the Company. The current tenure of Whole-time Director(s) is for a period of five years with effect from 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 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 :

Name	Salary (Rs.)	Other Benefits (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. M. P. Jatia, <i>Chairman</i>	—	—	45,000	45,000
Mr. B. K. Khaitan, <i>Managing Director</i>	72,00,000	9,19,691	—	81,19,691
Mr. K. K. Khaitan, <i>Jt. Managing Director</i>	70,80,000	8,93,825	—	79,73,825
Mr. M. K. Khaitan, <i>Executive Director</i>	69,60,000	8,77,492	—	78,37,492
Mr. S. Ajmera, <i>Director</i>	—	—	1,10,000	1,10,000
Mr. M. L. Bhagat, <i>Director</i>	—	—	1,15,000	1,15,000
Mr. K. K. Khemka, <i>Director</i>	—	—	65,000	65,000
Mr. D. D. Trivedi, <i>Director</i>	—	—	90,000	90,000

5. SHAREHOLDERS GRIEVANCE COMMITTEE

The Shareholders Grievance Committee headed by Mr. M. L. Bhagat, comprises of two Non-Executive Directors namely Mr. M. L. Bhagat and Mr. Satish Ajmera and two Executive Directors, Mr. K. K. Khaitan, Joint Managing Director and Mr. M. K. Khaitan, Executive Director. The 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 requirements mandated by SEBI and the Listing Agreement. During the year, the Committee met on 29 May 2009, which was attended by Mr. M. L. Bhagat 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 1 complaint during the year and was resolved/replied within reasonable time.

6. GENERAL BODY MEETINGS

The last three Annual General Meetings were held on 28 July 2009 at 11.00 a.m., 26 September 2008 at 11.00 a.m. and 31 July 2007 at 11.00 a.m. 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. 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 Director in respect of his / her grievances.

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

Compliance with Mandatory Requirements :

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

Adoption of Non - Mandatory Requirements

Sl. No.	Particulars	Compliance Status/Remarks
1	The Board	All expenses incurred by the Non-Executive Chairman, in performance of his duties, are being reimbursed.
2	Remuneration Committee	The Remuneration Committee is already in existence, comprising of only non-executive directors.
3	Audit Qualification	The financial statements are already unqualified.

8. MEANS OF COMMUNICATION

Annual Reports in respect of each financial year are mailed to all shareholder generally in June/July of each calendar year. The quarterly financial results are normally published in Business Standard (English) & Dainik Lipi (Vernacular) and are also furnished to the concerned Stock Exchanges in required format to enable them to display at their respective websites.

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 : Monday, 26th July, 2010 at 11.30 A.M.
Seminar Hall, Science City, Kolkata 700046
- (c) Financial Year : 1st April to 31st March
- (d) Dates of Book closure : 19th July to 26th July, 2010 (both days inclusive)
- (e) Dividend Payment Date : The Dividend, declared if any, will be paid within 30 days from the date of AGM.
- (f) Listing of Stock Exchanges & Stock Code :

Bombay Stock Exchange Ltd P. J. Towers, Dalal Street Mumbai 400 001 (Stock Code: 507817)	The Calcutta Stock Exchange Ass. Ltd 7, Lyons Range Kolkata 700 001 (Stock Code: 10033008)
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The annual listing fee for the year 2010-2011 has been paid to all the above Stock Exchanges.

(g) Share Price Data, as traded at Bombay Stock Exchange Limited during 2009-2010 (in Rs.)

2009									2010			
	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
High	45.00	46.55	65.30	68.00	67.40	72.55	105.4	109.80	103.60	121	118.75	143.05
Low	40.70	38.75	48.85	59.10	57.50	64.00	65.25	88.05	85.00	92.50	100.35	90.10

(Source : BSE Website)

(h) Stock Performance in comparison to BSE Sensex :

	As on 31.03.2009	As on 31.03.2010	Increase %
BSE Sensex	9708.50	17527.77	80.54
Company's Stock Price at BSE (Rs.)	42.00	140.90	235.48

(Source : BSE Website)

- (i) Registrar & Transfer Agent: : ABS Consultant Pvt. Ltd.
99, Stephen House, 6th Floor, 4, B.B D Bag (E) Kolkata-700 001
Ph : +91 33 2220-1043, +91 33 2243-0153
E-Mail : absconsultant@vsnl.net
- (j) Share Transfer System : Share transfer documents complete in all respects are registered and /or share transfer under objections are returned within stipulated time period.
- (k) Distribution of Shareholding as on 31st March, 2010
- | No. of shares | No. of Equity Shareholders | % of Shareholders | No. of Equity Shares held | % of Shareholding |
|---------------|----------------------------|-------------------|---------------------------|-------------------|
| 1 to 1000 | 4242 | 98.01 | 5,31,541 | 17.39 |
| 1001 to 10000 | 71 | 1.64 | 1,92,006 | 6.28 |
| 10001 & above | 15 | 0.35 | 23,32,703 | 76.33 |
| Total | | 100.00 | 30,56,250 | 100.00 |
- (l) Dematerialisation of shares and liquidity : The Equity Shares of the Company are eligible for demat by both the depositories namely NSDL & CDSL, under ISIN : INE469D01013. About 89.38% of shares were held in dematerialisation form by the shareholders of the Company, as on 31st March, 2010. The trading of the equity shares of the Company on the Stock Exchanges are under the list of compulsory delivery in dematerialization form by all investors. The shares of the Company are regularly traded at BSE.
- (m) Outstanding ADR's / GDR's/Warrants /or any other Convertible Instruments : Nil
- (n) Plant Locations : Howrah, West Bengal.
Jaipur, Rajasthan.
- (o) Address for Correspondence & Redressal of Investor Grievances : The Compliance Officer
Wires and Fabriks (S.A.) Limited
7, Chittaranjan Avenue, Kolkata-700 072
Phone Nos.: +91-33-2237-0116, Fax : +91-33-2225-7136
E-Mail : ig@cal.wirefabrik.com
- (p) Shareholding of Non-Executive Directors : 1150

Declaration in respect of Compliance with the Code of Conduct

It is hereby declared that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, for the financial year ended 31st March, 2010.

Kolkata

Dated, the 27th day of May, 2010

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 2010 under the Clause 49 of the Listing Agreement with the concerned Stock Exchanges

We have examined the Compliance of the conditions of Corporate Governance by **Wires & Fabriks (S.A.) Limited** for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges.

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

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

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

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

8, Ganesh Chandra Avenue,

Kolkata 700013

Dated, 27th May 2010

B. N. Khandelwal

Company Secretary in Practice

C.P. No. 1148

MANAGEMENT DISCUSSIONS & ANALYSIS REPORT 2009-10

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 our 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 modernization & technology upgradation.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Products for both the paper Industry & Wind mills are performing satisfactorily.

FUTURE OUTLOOK

During the year, your Company has further set up another wind power plant. The Expansion cum Modernization Programme is under completion. The Company has entered into a Technical collaboration with the world leaders in Paper Machine clothing, Albany International Corp., U.S.A. All these together with increased domestic off take and strengthening of exports, is expected to further improve the performance in the forth coming years.

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. The technical collaboration with Albany International Corp., U.S.A. will help 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 closed last year with an improved performance in almost all sections of its operations. The Company plans to further strengthen the areas where more improvement opportunities exist.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

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

CAUTIONARY STATEMENT

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