



wires & fabriks

Wires and Fabriks (S.A.) Limited

ANNUAL REPORT

2018 - 2019



wires & fabriks

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Directors

Mohan Lal Bhagat

Saroj Khemka

Satish Ajmera

Subrata Kumar Atindra Mitra

Pranika Khaitan Rawat

Devesh Khaitan, *Executive Director*

Mahendra Khaitan, *Managing Director*

Kishan Kumar Khaitan, *Chairman cum Managing Director*

Secretary

Abhishek Upadhyaya

Auditors

S. K. Agrawal & Co.

OUR PRODUCT RANGE

- Paper Machine Clothing
- Paper Making Chemicals

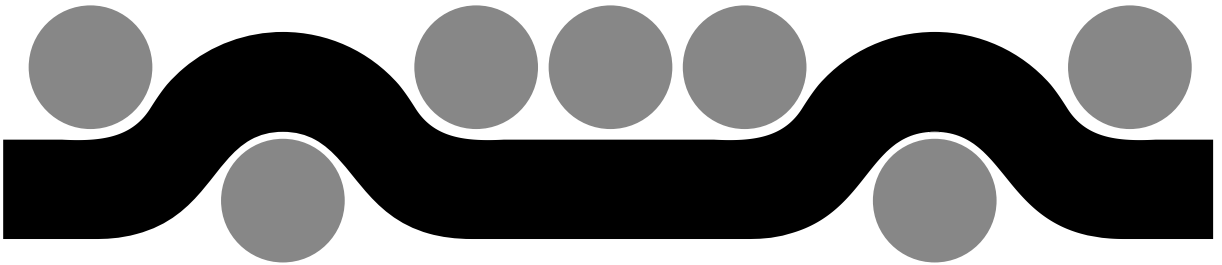
Registered Office

7, Chittaranjan Avenue, Kolkata 700072

www.wirefabrik.com

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+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 which has been upgraded from time to time with the latest being upgraded to 9001:2015 in 2016. 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 many 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 2018-19

Dear Members,

The Directors of the Company have pleasure in presenting the 62nd Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2019.

FINANCIAL RESULTS

The financial results, in brief, for the year ended 31st March, 2019 are as under:

	(Rs. in Lacs)	
	<u>31.03.2019</u>	<u>31.03.2018</u>
Total Income (net of excise duty)	10591.03	10295.96
Profit After Tax	127.12	83.94
Retained Earnings	3104.20	2999.19

DIVIDEND

Your Directors have recommended to the Members a dividend of Rs. 0.60 per share (previous year Rs. 0.60 per share) amounting to Rs. 22.11 Lacs, including dividend tax thereon for the financial year ended 31st March, 2019.

OPERATIONS & FUTURE OUTLOOK

During the year under review, the performance of your Company has improved in terms of sales as well as the profits. The Company closed the Financial Year with increase in turnover, and a good increase in profitability over the previous year due to benefits accrued from modernization project completed in 2015-16, resulting in minimization of costs. Further plan for expansion cum modernization is underway which is expected to be completed in 2020-21.

Your Company continues to maintain its leadership in Technical Textiles due to continued thrust on new product development and technology up-gradation. A number of steps taken to reduce costs and increase market penetration will lead to improved performance in the coming years. The current economic scenario may however continue to affect the results of the Company in the short term. With economic improvement, the Indian Paper Industry is expected to grow at a higher rate than the GDP growth, especially in the packaging segment. The expected completion of expansion cum modernization project together with our strong thrust on exports, will enable your Company to become more competitive and enter new markets.

Jaipur
28th May, 2019

DIRECTORS

In accordance with the provisions of the Companies Act and the Articles of Association of the Company, Mr. Devesh Khaitan, Director of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment. Profile of Mr. Devesh Khaitan, is given in the Notice of the Annual General Meeting.

AUDITORS

M/s S. K. Agrawal & Co., Chartered Accountants, (Firm Regn No. 306033E) Auditors of the Company were appointed for the term of five years, from the conclusion of 61st Annual General Meeting till the conclusion of 66th Annual General Meeting of the Company. There are no qualifications, reservations, adverse remarks or disclaimer in the Statutory Audit Report neither any fraud has been reported by auditors under section 143(12) of the Companies Act, 2013.

The Secretarial Audit was carried out by Mr. Mayank Daga, Practicing Company Secretary (Certificate of Practice No. 16509) for the financial year ended 31st March, 2019. In terms of provisions of the Companies Act, on recommendation of the Audit Committee, the Board at its meeting held on 30th May 2018 had appointed Mr. Mayank Daga, Practicing Company Secretary (Certificate of Practice No. 16509) as the Secretarial Auditor for the financial year ending 31st March 2019. The Secretarial Auditors' Report for the financial year ending 31st March 2019 is annexed herewith. There are no qualifications, reservations, adverse remarks or disclaimer in the Secretarial Audit Report.

INFORMATION'S

Information's / statements as per the applicable provisions of the Companies Act & rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standard 1 & 2, and other applicable statutory provisions are annexed.

ACKNOWLEDGEMENT

The Directors wish to place on record their gratitude to the Customers, Investors, Banks, 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 continued & unstinted efforts during the year.

For and on behalf of the Board
K.K. Khaitan **M. Khaitan**
Chairman cum Managing Director **Managing Director**
DIN: 00514864 DIN: 00459612

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATIONS

- The details forming part of the extract of the Annual Return in prescribed form MGT 9 may be referred to, at the Company's official website at <http://www.wirefabrik.com/shareholder/AnnualReturn.pdf>.
- The details of the Board Meetings held during the Financial Year 2018-19 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 30th May, 2018.

The said policy may be referred to, at the Company's

official website at <http://www.wirefabrik.com/shareholder/NRP.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 Transaction 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 30th May, 2018.

The said policy may be referred to, at the Company's official website at <http://www.wirefabrik.com/shareholder/RPTP.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 30th May, 2018. For the financial year 2018-19, the CSR Committee had been re-constituted by the Board of Directors of the Company at its meeting held on 3rd February, 2018 and the constitution of the Committee is as follows:

Sl. Nr.	Name	Category	Designation in Committee
1.	Mr. Mahendra 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/CSR.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 2018-19 the Company did not fall under the purview of the 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 evaluation of the performance of the Board and its Committees and the Nomination & Remuneration Committee evaluated performance of individual directors based on established criteria for such evaluation.
- A meeting of the Independent Directors as required to be held to evaluate the performance of the Non-Independent Directors was held on 30th May 2018 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 27th 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 30th May, 2018 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 2019.
- The Company has not accepted any kind of Deposits from the Public during the F-Y 2018-19. As on 31st March 2019, 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 programs 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/FPID.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 17th 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 30th May; 2018. The said policy may be referred to, at the Company's website at <http://www.wirefabrik.com/shareholder/WBPVM.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, 2019 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, 2019 have been furnished in extract of the Annual Return as annexed.
- The Company has transferred a total sum of Rs. 168,874 during the financial year 2018-19 to the Investor Education & Protection Fund established by the Central Government, in compliance with Section 124(5) of the Companies Act, 2013.
- The Company has maintained cost records for its products for which cost records are required to be maintained as specified by the Central Government under section 148(1) of the Companies Act, 2013.
- 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 constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and 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.
- The Company has complied with the provisions of applicable Secretarial Standard 1 & 2 issued by the Institute of Company Secretaries of India and approved under Section 118(10) of the Companies Act, 2013.
- No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.

Mr. D. D. Trivedi, aged about 87 years, an Independent Director of the Company, tendered his resignation due to his advanced age, vide letter dated 4th April, 2019.

Jaipur
28th May, 2019

For and on behalf of the Board
K.K. Khaitan
Chairman cum Managing Director
DIN: 00514864

M. Khaitan
Managing Director
DIN: 00459612



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 2019.

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)

No major Technology was imported by the Company during last three years.

4. Expenditure Incurred on Research and Development

	(Rs. In Lacs)
(a) Capital	: 2.90
(b) Revenue	: 272.93
(c) Total	: 275.83
(d) Total R & D Expenditure (as a % of total turnover)	: 2.61%

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	: 2414.16
Foreign Exchange used	: 2860.33

Jaipur
28th May, 2019

For and on behalf of the Board	
K.K. Khaitan	M. Khaitan
Chairman cum Managing Director	Managing Director
DIN: 00514864	DIN: 00459612

ANNEXURE TO THE DIRECTORS' REPORT - SECRETARIAL AUDIT REPORT

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 2019, 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 the Company for the financial year ended on 31st March 2019 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD)
 - f. 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; (NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD)
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable. (NOT APPLICABLE TO THE COMPANY DURING THE AUDIT PERIOD) and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time;



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6. Other laws applicable to the company as per the representations made by the management.

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. No changes in the composition of the Board of Directors took place during the period under review.

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.

Mayank Daga

Company Secretary in Practice

Membership No. ACS 41279

CP. No. 16509

Place: Kolkata

Date: 28th May, 2019

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

Our report of even date is to be read along with this letter.

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.

Mayank Daga

Company Secretary in Practice

Membership No. ACS 41279

CP. No. 16509

Place: Kolkata

Date: 28th May, 2019

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of 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 30th May 2018 (12.30 P.M. & 2.00 P.M.), 11th August, 2018 (3.00 P.M. & 3.30 P.M.), 14th November, 2018 (2.00 P.M. & 2.30 P.M.) and 08th February 2019 (02.00 P.M. & 02.30 P.M.). The maximum gap between any two meetings was less than one hundred and twenty days. The Board was presented with all relevant and necessary information at its meetings including information as required under the listing regulations. Details of Directors seeking re-appointment at 62nd 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 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. K. K. Khaitan, CMD	PE	6	No	2	-	-
Mr. M. Khaitan, Managing Director	PE	8	Yes	2	-	-
Mr. Devesh Khaitan, Executive Director	PE	8	Yes	2	-	-
Ms. Pranika Khaitan Rawat	NENI	6	No	-	-	-
Mr. D. D. Trivedi [#]	NEI	4	No	2	2	-
Mr. M. L. Bhagat	NEI	8	Yes	1	-	-
Mr. Saroj Khemka	NEI	8	Yes	-	-	-
Mr. Satish Ajmera	NEI	4	No	3	3	3
Mr. S. K. Mitra	NEI	8	Yes	2	1	-

PE: Promoter & Executive, NEI: Non Executive & Independent, NENI: Non Executive & Non Independent, *Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee. [#]Mr. D. D. Trivedi resigned from directorship of the Company w.e.f 04.04.2019.

Mr. Devesh Khaitan is the son of Mr. K.K. Khaitan and Ms. Pranika Khaitan Rawat is the daughter of Mr. M. Khaitan. Number of equity shares held by non-executive directors are given in MGT-9 which forms part of board report.

Mr. Satish Ajmera is an Independent Director in two other listed entities i.e. The Lakshmi Mills Company Limited and PCS Technology Limited, Mr. M. L. Bhagat holds Independent Directorship in Sandhar Technologies Limited and Mr. D. D. Trivedi holds Independent Directorship in Arrow Greentech Limited and Foods And Inns Limited. Other directors of the Company does not hold directorship in any other listed entity.

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/FPID.pdf>

The list of core skills/expertise/competencies of the board of directors to function effectively and actually available with the board, identified in context of business and sector in which the company operates, is as follows:

Industry knowledge/experience

Industry experience
 Knowledge of sector
 Knowledge of international best practices
 Knowledge of latest technologies in industry
 Understanding of government legislation

Governance competencies

Senior management experience
 Strategic thinking /planning
 Financial literacy
 Public relations
 Profile / reputation



Technical skills/ expertise

Accounting and Finance
Laws and corporate governance
Marketing experience
Risk management
Human resource management

Behavioral competencies

Team player / collaborative
Integrity, seriousness and ethics
Mentoring abilities
Interpersonal relations
Communication skills

The Board is of the opinion that, the independent directors are independent of the management and fulfill the conditions as specified in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Mr. D. D. Trivedi, aged about 87 years, an Independent Director of the Company, tendered his resignation w.e.f 4th April, 2019 due to his advanced age, vide letter dated 4th April, 2019. In the said letter he also confirmed that there were no other material reason other than those provided therein.

3. AUDIT COMMITTEE

During the period under review, Audit Committee headed by Mr. Satish Ajmera comprised of four other Non-Executive Independent Directors namely Mr. D. D. Trivedi, Mr. S. K. Mitra, Mr. M. L. Bhagat & Mr. Saroj Khemka and an Executive Director Mr. M. 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 30th May 2018, 11th August, 2018, 14th November, 2018 and 08th February 2019.

Mr. Satish Ajmera, Mr. S. K. Mitra, Mr. D. D. Trivedi, Mr. M. L. Bhagat, Mr. Saroj Khemka and Mr. M. Khaitan attended 2, 4, 2, 4, 4 & 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. Saroj Khemka comprised of a Non-Executive Independent Director namely Mr. Satish Ajmera and a Non-Executive Non Independent Director, Ms. Pranika Khaitan Rawat. 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 30th May 2018, which was attended by Mr. Saroj Khemka, Mr. Satish Ajmera and Ms. Pranika Khaitan Rawat. The criteria for evaluation of performance of Independent Directors cover the areas of Participation, Knowledge & Skills and others as recommended by the Committee. The Company Secretary acts as a Secretary to the Committee.

5. REMUNERATION OF DIRECTORS

The payments of remuneration to the Managing Director(s) and Executive Director are governed by the Company's Remuneration Policy and the respective agreement between them and the Company. The current tenure of Managing Director(s) namely Mr. K. K. Khaitan and Mr. M. Khaitan is for a period of five years with effect from 1st April, 2017 and of Executive director, Mr. Devesh Khaitan, is for a period of five years with effect from 1st April, 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 Managing Director(s) and Executive Director 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 2018-19.

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, CMD	1,82,40,000	22,46,400	-	2,04,86,400
Mr. M. Khaitan, Managing Director	1,82,40,000	22,40,662	-	2,04,80,662
Mr. Devesh Khaitan, Executive Director	1,71,00,000	20,92,772	-	1,91,92,772
Ms. Pranika Khaitan Rawat, Director	-	-	1,05,000	1,05,000
Mr. D. D. Trivedi, Director	-	-	90,000	90,000
Mr. M. L. Bhagat, Director	-	-	1,80,000	1,80,000
Mr. Saroj Khemka, Director	-	-	2,10,000	2,10,000
Mr. Satish Ajmera, Director	-	-	1,05,000	1,05,000
Mr. S. K. Mitra, Director	-	-	1,95,000	1,95,000

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the period under review, Stakeholders Relationship Committee headed by Mr. Saroj Khemka, comprised of a Non-Executive Independent Director, Mr. D. D. Trivedi and Executive Director, Mr. Devesh Khaitan. 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 30th May 2018, which was attended by Mr. Saroj Khemka and Mr. Devesh Khaitan. Grievances requiring specific guidance in between the meetings are communicated to the Chairman and redressed as per his advice.

The Company has received three complaints during the year. All complaints, 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 11th August, 2018 at 12.00 Noon at Seminar Hall, Science City, JBS Halden Avenue, Kolkata 700 046, 12th day of September, 2017 at 2.30 P.M. (at Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata 700017) and 9th August, 2016 at 12.00 Noon 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 no Special Resolutions were passed through postal ballot neither any Special Resolution is proposed to be conducted through postal ballot.

8. MEANS OF COMMUNICATION

Annual Reports in respect of each financial year are mailed to all shareholders generally in July/August of each calendar year. The extract / quarterly financial results are normally published in Financial Express (English) & Sukhabar (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. 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 : Thursday, 1st August, 2019 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 : 26th July, 2019 to 1st August, 2019 (both days inclusive)
- (e) Listing of Stock Exchanges & Stock Code:

B.S.E. Ltd.
P. J. Towers, Dalal Street, Mumbai 400001
(Stock Code: 507817)

The Calcutta Stock Exchange Ltd
7, Lyons Range, Kolkata 700001
(Stock Code: 10033008)

The annual listing fee for the year 2019-2020 has been paid to the above Stock Exchanges.

- (f) Share Price Data, as traded at Bombay Stock Exchange Limited during 2018-2019: (in Rs.)

	2018									2019		
	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
High	113.00	106.05	119.65	129.85	125.85	104.95	87.85	97.65	114.30	98.00	86.00	86.00
Low	102.00	90.00	91.50	108.05	90.20	83.10	79.10	76.00	89.20	76.35	75.00	70.80

(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:

(in Rs.)

	As on 31.03.2018	As on 31.03.2019	Increase / (Decrease) %
BSE Sensex	32968.68	38672.91	14.75
Company's Stock Price at BSE (Rs.)	104.00	72.25	(43.94)

(Source: BSE Website)

- (h) Registrar & Transfer Agent : ABS Consultant Pvt. Ltd.
99, Stephen House, 6th Floor, 4, B.B D Bag (E), Kolkata-700 001
Ph.:+91 33 2230-1043 / 2243-0153. E-Mail: absconsultant@vsnl.net
- (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 31st March, 2019:

No. of shares	No. of Equity Shareholders	% of Shareholders	No. of Equity Shares held	% of Shareholding
1 to 1000	3289	97.89	397626	13.01
1001 to 10000	66	1.96	181598	5.94
10001 & above	5	0.15	2477026	81.05
Total	3360	100.00	3056250	100.00

Categories of Shareholding as on 31st March, 2019:

Category	No. of Shares held	% of Shareholding
Promoters	2286356	74.81
Mutual Funds	550	0.02
Financial Intuitions / Banks	200	0.01
Public Shareholders - Individuals	547538	17.91
Public Shareholders - Bodies Corporate	157443	5.15
Others	64163	2.10

- (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 94.78% of shares were held in dematerialisation form by the shareholders of the Company, as on 31st March, 2019. 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.
 (q) Details of credit ratings obtained/ reviewed during the year 2018-2019.

Facilities	Rating	Remarks
Long-term Bank Facilities	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	Reaffirmed
Short-term Bank Facilities	CARE A3+ (A Three Plus)	Reaffirmed
Long-Term/ Short-Term Bank Facilities	CARE BBB+; Stable/ CARE A3+ (Triple B Plus; Outlook: Stable)/ (A Three Plus)	Reaffirmed

10. 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.
- 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.
- 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.
- 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.
- The Company does not have a Subsidiary and as such no Policy for determining 'material subsidiaries was formulated.
- 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/RPTP.pdf>
- During the financial year ended 31st March, 2019 the Company did not engage in commodity hedging activities.
- During the financial year 2018-19 the Company have not raised or utilized any funds through preferential allotment or qualified institutions placement.
- The company has obtained a certificate from a practicing company secretary certifying that none of the directors of the company have been debarred or disqualified from being appointed or continuing as directors of the companies by SEBI / MCA or any such statutory authority.
- The board of directors has accepted the recommendations of its committees made during the financial year 2018-19.
- The Company has paid total fees of Rs. 2.91 lacs to the statutory auditors towards all the services rendered by them, on a consolidated basis. No other payments are made to any network firm/ network entity of which the statutory auditor may be a part.

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

12. ADOPTION OF NON - MANDATORY REQUIREMENTS

Sr. 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



wires & fabriks

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
28th May, 2019

For and on behalf of the Board
K.K. Khaitan
Chairman cum Managing Director
DIN: 00514864

M. Khaitan
Managing Director
DIN: 00459612

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, 2019.

Jaipur
28th May, 2019

M. KHAITAN
(CEO)

Certificate to the Members of Wires and Fabriks (S.A.) Limited on the conditions of Corporate Governance for the year ended 31st March, 2019.

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

I have examined the compliance of the conditions of Corporate Governance by Wires and Fabriks (S.A.) Limited for the year ended 31st March, 2019 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. ("SEBI Listing Regulations")

The Compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination is limited to the review of the procedures and implementation thereof, as 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 according to the explanations given to us, and the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in the SEBI Listing Regulations for the year ended on March 31, 2019.

On the basis of records maintained by the Company, I state that, as on 31st March, 2019, there were no investor grievances remaining pending for a period exceeding one month against the Company.

I, 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.

Date: 28th May, 2019
Place: Kolkata

Mayank Daga
Company Secretary in Practice
Membership No. ACS 41279
CP. No. 16509

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Wires and Fabriks (S.A.) Limited
7, Chittaranjan Avenue,
Kolkata- 700072

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Wires and Fabriks (S.A.) Limited having CIN L29265WB1957PLC023379 and having registered office at 7, Chittaranjan Avenue, Kolkata-700072 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory.

SI No	Name of Director	DIN	Date of appointment in Company
1	SUBRATA KUMAR ATINDRA MITRA	0000029961	09/11/2013
2	SATISH AJMERA	0000208919	29/11/2001
3	MAHENDRA KHAITAN	0000459612	26/06/1989
4	SAROJ KUMAR KHEMKA	0000489838	05/02/2015
5	KISHAN KUMAR KHAITAN	0000514864	14/08/1978
6	MOHAN BHAGAT LAL	0000699750	08/07/1992
7	DEVESH KHAITAN	0000820595	27/06/2014
8	PRANIKA KHAITAN RAWAT	0007062242	05/02/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 28th May, 2019
Place: Kolkata

Mayank Daga
Company Secretary in Practice
Membership No. ACS 41279
CP No. 16509



MANAGEMENT DISCUSSIONS & ANALYSIS REPORT 2018-19

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 the Paper industry had a brief setback in the current economic scenario. Wind mills are performing satisfactorily.

FUTURE OUTLOOK

The expected completion of the Company's Expansion cum Modernisation Project in 2020-21, 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 closed last financial year with increase in turnover and a good increase in profitability. 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.

FINANCIAL RATIOS

The details on key financial ratios are produced below which enables to measure Company's operational efficiency, liquidity, stability and profitability, giving management, investors and other stakeholders more relevant information than raw financial data and to take

better strategic, operational & financial decisions by using the widely popular, and arguably indispensable, technique of ratio analysis.

	FY 2018-19	FY 2017-18
i. Debtors Turnover	3.19	2.85
ii. Inventory Turnover	4.49	3.96
iii. Interest Coverage Ratio	3.44	1.09
iv. Current Ratio	1.85	1.64
v. Debt Equity Ratio	0.81	1.10
vi. Operating Profit Margin (%)	2.33	1.91
vii. Net Profit Margin (%)	1.65	0.16
viii. Return on Net Worth (%)	4.04	0.41

Saving in Raw Material and Finance cost resulted in better Return on Net Worth, Net Profit Margin and Interest Coverage Ratio. Further repayment of Term Loan coupled with better utilization of borrowed working capital funds improved Debt Equity Ratio.

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.

Jaipur
28th May, 2019

For and on behalf of the Board
K.K. Khaitan
Chairman cum Managing Director
 DIN: 00514864

M. Khaitan
Managing Director
 DIN: 00459612



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WIRES & FABRIKS (S.A.) LIMITED**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the financial statements of Wires & Fabriks (S.A.) Limited ("the Company"), which comprises the Balance sheet as at 31st March 2019, the Statement of Profit and Loss (Including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2019, and its profit (including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

SI No	Key Audit Matter	Auditor's Response
1.	<p>Accuracy of recognition, measurement, presentation and disclosures of receivable and expected credit loss.</p> <p>A receivable shall be classified as 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Hence, amounts due under contractual rights, other than arising out of sale of goods or rendering of services, cannot be included within Trade Receivables.</p> <p>As per Ind AS 109, the company is required to recognize a loss allowance (i.e. impairment) for expected credit losses on financial assets including trade receivables.</p>	<p>Our procedures included:</p> <p>Accounting policies: Trade receivable which are likely to be realized within twelve months from the date of Balance Sheet or within the operating cycle than it shall be classifying as current assets.</p> <p>Control testing: Testing the effectiveness of the company controls over the calculation of trade receivable as 'doubtful'.</p> <p>Tests of details:</p> <ul style="list-style-type: none"> - Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether trade receivable corresponding to revenue was recognised in the correct period. - Documentation for a sample invoice of goods or services sold and supporting documentation. - Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. cash shortfalls), including cash flows from the sale of collateral held.' <p>Credit Risk:</p> <p>Credit risk is the risk that counterparty will not meet its obligation under customer contract, leading to a financial loss.</p> <p>The company is exposed to credit risk from its operating activities primarily to trade receivable.</p>

SI No	Key Audit Matter	Auditor's Response
		<p>Assessing disclosures:</p> <p>Considering the adequacy of the disclosures in respect of trade receivable. Our results :</p> <ul style="list-style-type: none"> - The results of our testing were satisfactory, and we considered that the trade receivable were recorded on amount due on goods and services rendered in the normal course of business and company has a credit review & monitoring system which includes credit approvals credit limits and monitoring.
2.	<p>Direct Tax provision</p> <p>In the normal course of business, "Income Taxes" as the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.</p>	<p>Our procedures included:-</p> <p>Control testing:</p> <ul style="list-style-type: none"> - Testing the effectiveness of the controls around the recording and re-assessment of tax provisions. <p>Our tax expertise:</p> <ul style="list-style-type: none"> - Use of our own tax specialists to perform an assessment of the related correspondence, to consider the computation of tax provisions. - Challenging the assumptions using our own expectations based on our knowledge, considering relevant judgments passed by authorities, as well as assessing relevant opinions from third parties. <p>Assessing disclosures:</p> <p>Considering the adequacy of the disclosures in respect of tax and uncertain tax positions. Our results :</p> <p>The results of our testing were satisfactory, and we found the level of tax provisioning to be acceptable.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that gives a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. 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 gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.



Auditor's Responsibilities for the Audit of Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statements of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash flows comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act;

- e. On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. 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 which would impact financial position. (Refer Note 32 to Financial statement)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. K. AGRAWAL AND CO.

Chartered Accountants

Firm Registration No. 306033E

Vivek Agarwal

(Partner)

Membership No.301571

Place: Kolkata

Dated: 28th May, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditor's Report to the members of Wires & Fabriks (S.A.) Limited (the Company') on the financial statements for the year ended on 31st March 2019. We report that:

- i. In respect of the Company's fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of Physical verification of its fixed assets. In accordance with this programme, certain fixed assets were verified during the year and according to information and explanation given to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to information and explanation given to us and the records examined by us including registered title deeds, we reports that ,the title deeds, comprising all the immovable properties of land and building are held in the name of company as at balance sheet date.
- ii. According to information and explanation given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on physical verification.
- iii. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3(iii)(a), clause 3(iii)(b) and clause 3(iii)(c) of paragraph 3 of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees or security or made any investments to which provisions of sections 185 and 186 of the Companies Act, 2013 is applicable, and accordingly reporting under clause (iv) of the Order is not applicable.



wires & fabriks

- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit under the provisions of Sections 73 to Section 76 of the Companies Act, 2013 during the year. Accordingly, clause (v) of paragraph 3 of the order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us in respect of statutory and other dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, Goods and Service Tax and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 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 of income tax, duty of customs and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii. On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to Banks and financial institution. The Company did not have any outstanding debentures during the year.
- ix. The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us, term loan availed by the company were applied for the purpose for which the loan were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the company has paid or provided for managerial remuneration in accordance with requisite approvals mandated by the provisions for managerial remunerations of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons as per section 192 of the Companies Act, 2013. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause (xvi) of paragraph 3 of the Order is not applicable.

For S. K. AGRAWAL AND CO.
Chartered Accountants
Firm Registration No. 306033E
Vivek Agarwal
(Partner)
Membership No. 301571

Place: Kolkata
Dated: 28th May, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Wires & Fabriks (S.A.) Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended 31st March, 2019.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. 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 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.

Auditors' 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, issued by ICAI and deemed to be prescribed 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 judgment, 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 Company's 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company.

For S. K. AGRAWAL AND CO.

Chartered Accountants
Firm Registration No. 306033E

Vivek Agarwal

(Partner)

Membership No. 301571

Place: Kolkata

Dated: 28th May, 2019



wires & fabriks

**BALANCE SHEET
AS AT 31ST MARCH, 2019**

	Note	As at 31st March, 2019		As at 31st March, 2018	
		Rupees	Rupees	Rupees	Rupees
I. ASSETS					
Non-Current Assets:					
Property, Plant and Equipment	1	43,82,47,745		53,68,55,182	
Capital work-in-progress	1	4,33,84,819		42,64,470	
Intangible Assets	1	32,00,651		48,12,743	
Financial Assets:					
Loans	2	27,18,500		27,40,900	
Other Financial Assets	3	9,00,000		9,50,000	
Other Non Current Assets	4	2,20,86,217		47,89,588	
Total Non Current Assets		51,05,37,932	51,05,37,932	55,44,12,883	55,44,12,883
Current Assets:					
Inventories	5	15,04,81,775		19,36,79,776	
Financial assets					
Trade receivables	6	30,70,86,641		35,44,39,913	
Cash and Cash Equivalents	7	18,86,678		2,75,52,815	
Other Bank Balances	8	1,28,64,568		14,46,052	
Other Financial Assets	9	21,71,430		13,20,244	
Current Tax Assets (Net)	10	-		10,35,630	
Other Current Assets	11	4,74,31,397		4,78,90,765	
Total Current Assets		52,19,22,489	52,19,22,489	62,73,65,195	62,73,65,195
Total Assets			1,03,24,60,421		1,18,17,78,078
II. EQUITY AND LIABILITIES					
EQUITY					
Equity Share Capital	12	3,05,62,500		3,05,62,500	
Other Equity	13	40,18,01,640	43,23,64,140	39,07,08,085	42,12,70,585
LIABILITIES					
Non-Current Liabilities:					
Financial Liabilities					
Borrowing	14	23,86,27,860		29,63,56,250	
Provision	15	77,73,645		67,90,579	
Deferred Tax Liabilities (net)	16	3,87,14,611		3,97,01,319	
Other Non Current Liabilities	17	3,27,22,956		3,54,95,478	
Total Non Current Liabilities		31,78,39,072	31,78,39,072	37,83,43,626	37,83,43,626
Current Liabilities:					
Financial Liabilities					
Borrowings	18	4,43,58,540		11,47,88,706	
Trade Payables	19	5,87,99,387		10,09,95,784	
Other Financial Liabilities	20	7,80,56,267		6,66,88,283	
Current Tax Liabilities (Net)	21	17,81,169		-	
Other Current Liabilities	22	6,00,44,786		5,96,21,943	
Provisions	23	3,92,17,060		4,00,69,151	
Total Current Liabilities		28,22,57,209	28,22,57,209	38,21,63,867	38,21,63,867
Total Equity and Liabilities			1,03,24,60,421		1,18,17,78,078
Significant Accounting Policies Notes to the Financial Statements	Annexed 1-45				

As per our Report of even date

For and on behalf of the Board

For **S. K. AGRAWAL AND CO.**
Chartered Accountants
Firm Reg. No. 306033E
VIVEK AGARWAL
Partner
M. No. 301571

Abhishek Upadhyaya
Company Secretary

Rajesh Patni
CFO

M. Khaitan
Managing Director
DIN : 00459612

K. K. Khaitan
Chairman cum
Managing Director
DIN : 00514864

KOLKATA
The 28th day of May, 2019

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2019**

	Note	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
		Rupees	Rupees	Rupees	Rupees
Revenue From Operations	24		1,05,66,16,793		1,04,72,72,518
Other income	25		24,86,593		15,84,833
Total income			<u>1,05,91,03,386</u>		<u>1,04,88,57,351</u>
Expenses:					
Cost of materials consumed			28,92,25,707		30,95,73,597
Purchase of stock-in-trade			2,65,00,666		4,34,47,989
Changes in inventories of finished goods, work in progress and stock-in-trade	26		2,37,92,770		-54,91,764
Employee benefits expense	27		20,39,25,899		18,66,45,596
Finance costs	28		1,65,66,213		2,51,41,149
Depreciation and amortisation expense	29		10,16,75,577		9,95,48,743
Other expense	30		37,99,58,316		38,82,67,754
Total expenses			<u>1,04,16,45,148</u>		<u>1,04,71,33,064</u>
Profit/ (loss) before exceptional items and tax			1,74,58,238		17,24,287
Exceptional items			-		-
Profit/ (loss) before tax			1,74,58,238		17,24,287
Tax expense	31				
Current tax			1,19,08,520		3,28,623
Deferred tax (Including MAT credit entitlement)			-76,49,693		-63,30,356
Earlier years adjustments(net)			4,87,632	47,46,459	-6,68,346
Profit/ (loss) for the period			1,27,11,779		83,94,366
Other comprehensive income					
a (i) Items that will not be reclassified to profit or loss			8,20,806		20,56,100
(ii) Income tax relating to items that will not be reclassified to profit or loss			-2,28,348		-5,34,586
b (i) Items that will be reclassified to profit or loss			-		-
(ii) Income tax relating to items that will be reclassified to profit or loss			-	5,92,458	-
Total comprehensive income for the period			<u>1,33,04,237</u>		<u>99,15,880</u>
(comprising Profit (Loss) and other Comprehensive Income for the period)					
Earnings per equity share	33				
a Basic			4.16		2.75
b Diluted			4.16		2.75
Significant Accounting Policies Notes to the Financial Statements	Annexed 1-45				

As per our Report of even date

For and on behalf of the Board

For **S. K. AGRAWAL AND CO.**
Chartered Accountants
Firm Reg. No. 306033E
VIVEK AGARWAL
Partner
M. No. 301571

Abhishek Upadhyaya
Company Secretary

Rajesh Patni
CFO

M. Khaitan
Managing Director
DIN : 00459612

K. K. Khaitan
Chairman cum
Managing Director
DIN : 00514864

KOLKATA
The 28th day of May, 2019

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2019**

	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit before tax and extra ordinary items		1,74,58,238		17,24,287
ADJUSTMENTS FOR :				
Depreciation and amortisation expenses	10,44,48,099		10,23,21,265	
(Profit) / Loss on sale of assets / Investments	2,67,736		2,76,943	
Liabilities no longer required written back	-5,72,990		-4,53,783	
Income from Interest	-9,43,469		-8,88,838	
Interest expenses	71,65,077		1,82,85,886	
Fixed Assets written off	-	11,03,64,453	-	11,95,41,473
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE:		12,78,22,691		12,12,65,760
ADJUSTMENTS FOR:				
Non Current / Current Financial and other assets	1,81,23,428		4,99,49,550	
Inventories	4,31,98,001		-30,07,314	
Non Current / Current Financial and other liabilities / provisions	-5,30,51,160	82,70,269	5,57,49,054	10,26,91,290
CASH GENERATED FROM OPERATIONS		13,60,92,960		22,39,57,050
Direct Taxes Paid		47,49,503		86,41,899
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		14,08,42,463		23,25,98,949
Extra Ordinary Items		-		-
NET CASH FROM OPERATING ACTIVITIES		14,08,42,463		23,25,98,949
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		-4,44,11,723		-4,74,21,894
Sale of Fixed Assets		7,95,068		6,74,999
Sale of Investment		-		52,325
Interest Received		9,43,469		8,88,838
Dividend Received		-		-
NET CASH USED IN INVESTING ACTIVITIES		-4,26,73,186		-4,58,05,732
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings		-4,37,28,390		-5,32,10,010
Proceeds from Short Term Borrowings		-7,04,30,166		-11,59,49,652
Interest Paid		-73,74,692		-1,94,15,449
Dividend Paid		-23,02,166		-22,53,961
NET CASH USED IN FINANCING ACTIVITIES		-12,38,35,414		-19,08,29,072
Net increase / (Decrease) in cash and cash equivalents (A + B + C)		-2,56,66,137		-40,35,855
Opening cash and cash Equivalents		2,75,52,815		3,15,88,670
Closing cash and cash Equivalents		18,86,678		2,75,52,815

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

For and on behalf of the Board

For **S. K. AGRAWAL AND CO.**
Chartered Accountants
Firm Reg. No. 306033E
VIVEK AGARWAL
Partner
M. No. 301571

Abhishek Upadhyaya
Company Secretary

Rajesh Patni
CFO

M. Khaitan
Managing Director
DIN : 00459612

K. K. Khaitan
Chairman cum
Managing Director
DIN : 00514864

KOLKATA
The 28th day of May, 2019

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED ON 31ST MARCH, 2019**

(in Rupees)

Particulars	Equity Share Capital	Reserves & Surplus				Other Comprehensive Income (OCI)	Total
		Capital Reserve	Securities Premium Account	Retained Earnings	General Reserve		
Balance as on 1st April, 2017	3,05,62,500	9,250	3,05,62,500	29,37,31,391	5,75,00,000	11,96,122	38,29,99,263
Profit for the period				83,94,366			83,94,366
Other comprehensive income for the year						15,21,514	15,21,514
Dividends				- 18,33,750			- 18,33,750
Tax on Dividends				- 3,73,308			- 3,73,308
Balance as on 31st March, 2018	3,05,62,500	9,250	3,05,62,500	29,99,18,699	5,75,00,000	27,17,636	39,07,08,085
Profit for the period				1,27,11,779			1,27,11,779
Other comprehensive income for the year						5,92,458	5,92,458
Dividends				- 18,33,750			- 18,33,750
Tax on Dividends				- 3,76,932			- 3,76,932
Balance as on 31st March, 2019	3,05,62,500	9,250	3,05,62,500	31,04,19,796	5,75,00,000	33,10,094	40,18,01,640

As per our Report of even date

For **S. K. AGRAWAL AND CO.**
Chartered Accountants
Firm Reg. No. 306033E
VIVEK AGARWAL
Partner
M. No. 301571

Abhishek Upadhyaya
Company Secretary

Rajesh Patni
CFO

M. Khaitan
Managing Director
DIN : 00459612

K. K. Khaitan
Chairman cum
Managing Director
DIN : 00514864

KOLKATA
The 28th day of May, 2019



SIGNIFICANT ACCOUNTING POLICIES

Annexed to and forming part of the financial statements for the year ended 31st March, 2019.

A. Corporate Information:

Wires and Fabriks (S.A.) limited ("The Company") is a public limited company incorporated and domiciled in India and has its registered office at 7, Chittaranjan Avenue, Kolkata 700 072, India. The Company is listed on the BSE Limited and Calcutta Stock Exchange Limited. The company is engaged mainly in paper mill products.

B. Significant Accounting Policies:

1. Basis of Preparation and Presentation of Financial Statement

- a) The Financial Statements of the Company have been prepared on historical cost convention under accrual method of accounting and as a going concern concept except for certain assets and liabilities which are measured at fair values as required by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer of liability in an ordinary transaction between market participants at the measurement date. All assets and liabilities have been classified as per the Company's normal operating cycle and the other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities.

- b) The Financial Statements of the Company have been prepared to comply with the Indian Accounting Standard ("Ind AS"), including the rules notified under the relevant provisions of Companies Act, 2013. Accounting policies have consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- c) Company's Financial Statements are presented in Indian Rupees, which are also its functional currency and all amounts are rounded to the nearest rupees, except as stated otherwise.

2. Property, Plant and Equipment

- a) Property, plant and equipment are stated at cost of acquisition or construction inclusive of freight, net of recoverable taxes /duties, borrowing cost, net changes on foreign exchange contracts and adjustments arising from exchange rate variation attributable to the assets and other directly attributable cost of bringing the assets in its working condition for its intended use, less accumulated depreciation and impairment losses, if any.

Subsequent cost are included in the asset's carrying amount or recognised as a separate cost, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost can be measured reliably.

- b) Depreciation on property, plant and equipments 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 ascertained by the Company, which are in line with Schedule II to the Companies Act, 2013. Leased assets is amortised over the period of lease.
- c) The gain and loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.
- d) Insurance claims for damaged capital goods are accounted for on settlement of claims as per practice.
- e) Expenses incurred relating to the project, net of income earned prior to its intended use are considered as Pre Operative Expenses and disclosed under Capital Work in Progress. Pre-operative expenditure is allocated on the respective assets in the year of capitalisation.

3. Leases

- a) Leases are classified as finance leases wherever the terms of the lease, transfers substantially all the risk and rewards of the ownership to the lessee. Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease. All other lease is classified as operating lease.
- b) Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where other systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

4. Intangible Assets

- a) Intangible Assets are stated at cost of acquisition or construction inclusive of freight, net of recoverable taxes /duties, borrowing cost, net changes on foreign exchange contracts and adjustments arising from exchange rate variation attributable to the assets and other directly attributable cost of bringing the assets in its working condition for its intended use, less accumulated depreciation and impairment losses, if any.
- b) The gain and loss arising on the disposal or retirement of an item of Intangible assets is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.
- c) Computer Software is amortised over a period of 5 years.

5. Inventories

Inventories are valued at lower of cost or net realizable value. Cost of inventories comprises of cost of purchases, cost of conversion and other cost including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. The Company follows weighted average method for deriving cost of Work-In-Progress and Finished Goods. Provisions are made to cover slow moving and obsolete item. Scrap is valued at estimated market value.

6. Impairment of non financial assets - Property, Plant and Equipment

The Company assesses at each reporting date whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating unit 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 Statement of Profit and Loss. 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.

7. 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.

8. Employee benefits

a) Short term Employees Benefits Expenses

Short term employee benefits are recognised as expenses at the un-discounted amount in the Statement of Profit and Loss of the year in which the related service is rendered. Termination benefits are recognised as expenses as and when paid.

b) Post Employment Benefits

- i. Employee benefits in the form of Provident Fund, ESIC and Labour Welfare Fund are considered as defined contribution plan and the Company pays the contributions to recognised funds are charged to the Statement of Profit and Loss during the period when the contributions are due, as per the provisions of respective statutes. The company has no further obligations beyond its stipulated contributions.
- ii. The cost of providing Gratuity, a defined benefit plan is determined using the projected unit credit method, on the basis of actuarial valuation performed by an independent actuary at each Balance Sheet date. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumption are charged or credited to Statement of Profit and Loss in the period in which they arise.
- iii. Provision for Compensated absence and Gratuity liability of whole time Directors and employees, which are defined benefits and determined using the Projected Unit Credit method, on the basis of actuarial valuation performed by an independent actuary at each Balance Sheet date. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumption are charged or credited to Statement of Profit and Loss in the period in which they arise. The Gratuity liability in respect of employees of the Company (except whole time Directors and employees joined after 31.12.2012) is covered through a policy taken by a trust established under the Group Gratuity Scheme with Life Insurance Corporation of India (LIC).



9. Borrowing cost

Borrowing cost consists of interest and other costs that the Company incurs in connection with the borrowing of funds. 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 the Statement of Profit and Loss for the period for which they are incurred.

10. 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. Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India. 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 is recognised on timing differences between carrying amount of assets and liabilities in the Financial Statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realised, based on the tax rates and laws that have been enacted or subsequently enacted by the end of the reporting period. The carrying amount of Deferred tax liability and assets are reviewed at the end of each reporting period. Deferred tax liability are generally recognised for all taxable temporary differences and Deferred tax assets are generally recognised for all tax deductible temporary differences, carry forward tax losses and allowances to the extent there is reasonable certainty that these assets can be realised in future.

11. Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary 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 Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to the interest cost on foreign currency borrowing that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.

12. Provisions

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.

13. Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. The adaption of IndAS 115 did not have significant impact for the company.

Export Incentives are recognised on post export basis on entitlement rates. Government grants are recognised on receipt / reasonable ascertainment of ultimate collection thereof. Interest income is recognised using the effective interest method

14. 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

15. Financial Instrument

a) Financial Assets

I. Initial Recognition and measurement

Financial Assets and Financial Liabilities are recognized when the Company became a party to the contractual provisions of the instrument. All Financial Assets and Liabilities are initially recognised at fair value except for trade receivable which is initially measured at transaction price. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities which are not at fair value are adjusted through profit or loss to the fair value on initial recognitions. Purchase and sale of financial assets are accounted for at trade date.

II. Subsequent measurement

a) Financial Assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortise cost, if the financial asset is held within a business model, whose objective is to hold the asset in order to collect contractual cash flow and the contractual term of financial asset give rise on specified date to cash flow that are solely payment of principal and interest on principal amount outstanding.

b) Financial Assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if financial assets is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets and the contractual term of financial assets give rise on specified date to the cash flow that are solely payment of principal and interest on principal amount outstanding. The Company has made irrevocable election for its investments which are not held for trading and are classified as equity instrument to present the subsequent changes in fair value in other comprehensive income on its business model. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of each equity investment.

c) Financial Assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories is measured at fair value through profit or loss (FVTPL).

III. Other Equity Investments

All other equity investments are measured at fair value with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the company has elected to present the value change in "Other Comprehensive Income".

IV. Impairment of Financial Assets

In accordance with Ind As 109 the Company uses ' Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those required at fair value through profit and loss (FVTPL). Expected credit loss is measured through a loss allowance at an amount equal to:-

- The twelve months expected credit loss (expected credit loss that result from those default events on the financial instruments that are possible within twelve months after the reporting date) ; or
- Full lifetime expected credit loss (expected credit loss that result from all possible default events over the lifetime of the financial instruments).

For trade receivables company applies expected lifetime losses from initial recognition of the receivable. For other assets, the company uses twelve month ECL to provide for impairment loss where there is no significant increase in credit risk since initial recognition. If there is a significant increase in credit risk since initial recognition, full lifetime ECL is used.

b) Financial Liability

I. Initial Recognition and measurement

All financial liabilities are recognised at fair value.



II. Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amount is approximate fair value due to the short maturity of these instruments.

c) Derecognition of financial instruments

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

16. Government Grants:

The company recognise Government grants only when there is a reasonable assurance that the conditions attached to them shall be complied with and grant will be received. Grants related to assets are treated as deferred income and are recognised in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the assets. Grants related to income are recognised on a systematic basis over the periods necessary to match them with the related cost which they are intended to compensate and are deducted from the expenses in the Statement of Profit and Loss.

17. Contingent Liability and Contingent Assets

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.

18. Recent accounting pronouncements

Ind AS 116 – Leases Standards

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt this standard. However, adoption of this standard is not likely to have a significant impact in its Financial Statements.

Ind AS 19 – Plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

The Company intends to adopt this amendment. However, adoption of this amendment is not likely to have a significant impact in its Financial Statements.

Ind AS 12 – Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

The Company intends to adopt this amendment. However, adoption of this amendment is not likely to have a significant impact in its Financial Statements.

Ind AS 23- Borrowing Costs

The amendment clarifies that in computing the capitalization rate for funds borrowed generally, an entity should include borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or of sale would subsequently be considered as part of the general borrowing costs of the entity. The amendment is applicable to borrowing costs incurred on or after the beginning of the annual reporting period beginning on or after 1 April 2019.

The Company intends to adopt this amendment. However, adoption of this amendment is not likely to have a significant impact in its Financial Statements.



NOTES FORMING PART OF THE FINANCIAL STATEMENT

NOTE 1 : PROPERTY, PLANT & EQUIPMENT

GROSS BLOCK							
DESCRIPTION OF ASSETS	As at 1st April, 2017	Adjustments / Additions	Adjustments / Additions / (Deductions)	As at 1st April, 2018	Adjustments / Additions /	Adjustments / (Deductions)	As at 31st March, 2019
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
1.1 Tangible Assets							
Leasehold Land	8,205	-	-	8,205	-	-	8,205
Buildings	5,87,29,003	-	-	5,87,29,003	-	-	5,87,29,003
Plant & Machinery and Electric Installations	1,37,05,18,640	5,18,51,273	-	1,42,23,69,913	20,08,507	21,48,620	1,42,22,29,800
Furniture & Fixtures	1,34,30,980	2,84,841	4,03,045	1,33,12,776	1,39,100	65,25,871	69,26,005
Office Equipments etc	4,26,17,005	21,97,249	6,07,226	4,42,07,028	12,56,784	1,33,65,322	3,20,98,490
Vehicles	2,01,94,956	25,37,928	44,45,136	1,82,87,748	17,67,183	46,30,845	1,54,24,086
Sub Total (a)	<u>1,50,54,98,789</u>	<u>5,68,71,291</u>	<u>54,55,407</u>	<u>1,55,69,14,673</u>	<u>51,71,574</u>	<u>2,66,70,658</u>	<u>1,53,54,15,589</u>
1.2 Intangible Assets							
Softwares	2,60,83,575	-	-	2,60,83,575	1,19,800	-	2,62,03,375
Sub Total (b)	<u>2,60,83,575</u>	<u>-</u>	<u>-</u>	<u>2,60,83,575</u>	<u>1,19,800</u>	<u>-</u>	<u>2,62,03,375</u>
1.3 Capital Work-in -Progress	1,37,13,867	4,12,31,740	5,06,81,137	42,64,470	3,91,20,349	-	4,33,84,819
Sub Total (c)	<u>1,37,13,867</u>	<u>4,12,31,740</u>	<u>5,06,81,137</u>	<u>42,64,470</u>	<u>3,91,20,349</u>	<u>-</u>	<u>4,33,84,819</u>
TOTAL (a + b + c)	<u><u>1,54,52,96,231</u></u>	<u><u>9,81,03,031</u></u>	<u><u>5,61,36,544</u></u>	<u><u>1,58,72,62,718</u></u>	<u><u>4,44,11,723</u></u>	<u><u>2,66,70,658</u></u>	<u><u>1,60,50,03,783</u></u>

DEPRECIATION							
DESCRIPTION OF ASSETS	Up to 1st April, 2017	For the Year	Adjustments / Additions / (Deductions)	Up to 1st April, 2018	For the Year	Adjustments / (Deductions)	Upto 31st March, 2019
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
1.1 Tangible Assets							
Leasehold Land	3,976	82	-	4,058	83	-	4,141
Buildings	1,73,95,436	16,00,226	-	1,89,95,662	16,00,214	-	2,05,95,876
Plant & Machinery and Electric Installations	84,85,30,045	9,35,28,094	-	94,20,58,139	9,60,59,117	20,41,189	1,03,60,76,067
Furniture & Fixtures	94,18,943	7,68,163	2,46,024	99,41,082	9,26,904	65,23,510	43,44,476
Office Equipments etc	3,62,53,677	23,78,742	5,72,858	3,80,59,561	23,98,460	1,33,31,737	2,71,26,284
Vehicles	1,26,72,559	20,15,888	36,87,458	1,10,00,989	17,31,429	37,11,418	90,21,000
Sub Total (a)	<u>92,42,74,636</u>	<u>10,02,91,195</u>	<u>45,06,340</u>	<u>1,02,00,59,491</u>	<u>10,27,16,207</u>	<u>2,56,07,854</u>	<u>1,09,71,67,844</u>
1.2 Intangible Assets							
Softwares	1,92,40,762	20,30,070	-	2,12,70,832	17,31,892	-	2,30,02,724
Sub Total (b)	<u>1,92,40,762</u>	<u>20,30,070</u>	<u>-</u>	<u>2,12,70,832</u>	<u>17,31,892</u>	<u>-</u>	<u>2,30,02,724</u>
1.3 Capital Work-in -Progress							
Sub Total (c)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL (a + b + c)	<u><u>94,35,15,398</u></u>	<u><u>10,23,21,265</u></u>	<u><u>45,06,340</u></u>	<u><u>1,04,13,30,323</u></u>	<u><u>10,44,48,099</u></u>	<u><u>2,56,07,854</u></u>	<u><u>1,12,01,70,568</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENT

NET BLOCK			
DESCRIPTION OF ASSETS	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
	Rupees	Rupees	Rupees
1.1 Tangible Assets			
Leasehold Land	4,064	4,147	4,229
Buildings	3,81,33,127	3,97,33,341	4,13,33,567
Plant & Machinery and Electric Installations	38,61,53,733	48,03,11,774	52,19,88,595
Furniture & Fixtures	25,81,529	33,71,694	40,12,037
Office Equipments etc	49,72,206	61,47,467	63,63,328
Vehicles	64,03,086	72,86,759	75,22,397
Sub Total (a)	<u>43,82,47,745</u>	<u>53,68,55,182</u>	<u>58,12,24,153</u>
1.2 Intangible Assets			
Softwares	32,00,651	48,12,743	68,42,813
Sub Total (b)	<u>32,00,651</u>	<u>48,12,743</u>	<u>68,42,813</u>
1.3 Capital Work-in -Progress			
	4,33,84,819	42,64,470	1,37,13,867
Sub Total (c)	<u>4,33,84,819</u>	<u>42,64,470</u>	<u>1,37,13,867</u>
TOTAL (a + b + c)	<u>48,48,33,215</u>	<u>54,59,32,395</u>	<u>60,17,80,833</u>

1.4 Capital Work- in Progress includes Project & Pre- Operative Expenditure Rs. 21,35,396 (Previous year Rs.854,280) , pending allocation.

	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
NOTE 2 : LOANS		
Unsecured and considered good		
Security Deposits	27,18,500	27,40,900
	<u>27,18,500</u>	<u>27,40,900</u>
	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
NOTE 3 : OTHER NON CURRENT FINANCIAL ASSETS		
Other bank balances		
Fixed Deposits	9,00,000	9,50,000
	<u>9,00,000</u>	<u>9,50,000</u>
	As at 31st March, 2019	As at 31st March, 2018
	Rupees	Rupees
3.1 Fixed Deposits are pledged with banks as security against bank guarantees and letter of credit.		
NOTE 4 : OTHER NON CURRENT ASSETS		
Unsecured and considered good		
Capital Advances	1,18,54,959	2,80,000
Deposits	68,09,067	1,59,403
Others	34,22,191	43,50,185
	<u>2,20,86,217</u>	<u>47,89,588</u>

4.1 Others Include claims receivable, prepaid expense, etc.



NOTES FORMING PART OF THE FINANCIAL STATEMENT

	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
	Rupees	Rupees
NOTE 5 : INVENTORIES		
Raw Materials	6,99,12,305	6,78,92,634
Work-In-Progress	3,92,31,844	6,07,51,427
Finished Goods	43,78,258	69,35,917
Stock-in-Trade	9,59,417	8,13,646
Stores, Spare and Packing Materials	3,54,87,761	5,69,12,663
Scrap	5,12,190	3,73,489
	<u>15,04,81,775</u>	<u>19,36,79,776</u>
5.1 The above include materials in transit :		
Raw Materials	1,54,73,826	69,79,330
Stores, Spare and Packing Materials	13,126	3,02,598
	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
	Rupees	Rupees
NOTE 6 : TRADE RECEIVABLES		
Unsecured and Considered Good		
Trade Receivables	31,76,04,722	36,47,62,713
Less: Provision for expected credit loss	1,05,18,081	1,03,22,800
	<u>30,70,86,641</u>	<u>35,44,39,913</u>
	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
	Rupees	Rupees
NOTE 7 : CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalent		
Balances with Banks	11,41,820	2,67,23,477
Cheques on Hand	2,717	-
Cash on Hand	7,42,141	8,29,338
	<u>18,86,678</u>	<u>2,75,52,815</u>
	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
	Rupees	Rupees
NOTE 8 : OTHER BANK BALANCES		
Other bank balances		
On Fixed Deposits	1,16,60,000	1,50,000
Unpaid Dividend Account	12,04,568	12,96,052
	<u>1,28,64,568</u>	<u>14,46,052</u>
8.1 Fixed Deposits are pledged with banks as security against bank guarantees and letter of credit.		
	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
	Rupees	Rupees
NOTE 9 : OTHER CURRENT FINANCIAL ASSETS		
Unsecured and Considered Good		
Advances	15,18,328	8,36,190
Interest Accrued but not due	6,53,102	4,84,054
	<u>21,71,430</u>	<u>13,20,244</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENT

	<u>As at 31st March, 2019</u>		<u>As at 31st March, 2018</u>	
	Rupees		Rupees	
NOTE 10 : CURRENT TAX ASSETS (Net)				
Advance Income Tax (net of provisions)	-		10,35,630	
	-		10,35,630	
	<u>-</u>		<u>10,35,630</u>	
	<u>As at 31st March, 2019</u>		<u>As at 31st March, 2018</u>	
	Rupees		Rupees	
NOTE 11 : OTHER CURRENT ASSETS				
Unsecured and Considered Good				
Balance with Statutory Authorities	36,46,190		75,79,593	
Others	4,37,85,207		4,03,11,172	
	<u>4,74,31,397</u>		<u>4,78,90,765</u>	
11.1	Others include advance to suppliers, claims and prepaid expenses.			
	<u>As at 31st March, 2019</u>		<u>As at 1st April, 2018</u>	
	Rupees	Rupees	Rupees	Rupees
NOTE 12 : EQUITY SHARE CAPITAL				
Authorized :				
25000000 (25000000) Equity Shares of Rs.10/-each	25,00,00,000		25,00,00,000	
1000000 (1000000) Redeemable Preference Shares of Rs.10/- each	1,00,00,000	26,00,00,000	1,00,00,000	26,00,00,000
		<u>26,00,00,000</u>		<u>26,00,00,000</u>
Issued, Subscribed and Fully Paid up :				
3056250 (3056250) Equity Shares of Rs.10/-each		3,05,62,500		3,05,62,500
		<u>3,05,62,500</u>		<u>3,05,62,500</u>
	<u>As at 31st March, 2019</u>		<u>As at 1st April, 2018</u>	
	Nos.	Rupees	Nos.	Rupees
12.1 Reconciliation of number of Equity Shares outstanding is given blow :				
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>
12.2 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 Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
	<u>As at 31st March, 2019</u>		<u>As at 1st April, 2018</u>	
	Nos.	% held	Nos.	% held
12.3 Shares held by holding company				
Equity Shares				
W&F Securities Private Limited - Holding Company	19,22,314	62.90%	19,22,314	62.90%
	<u>As at 31st March, 2019</u>		<u>As at 1st April, 2018</u>	
	Nos.	% held	Nos.	% held
12.4 Details of shareholders holding more than 5% shares				
Equity Shares				
W&F Securities Private Limited	19,22,314	62.90%	19,22,314	62.90%
BKM Mercantile Private Limited	3,47,642	11.37%	3,47,642	11.37%



NOTES FORMING PART OF THE FINANCIAL STATEMENT

	<u>As at 31st March, 2019</u>		<u>As at 1st April, 2018</u>	
	Rupees	Rupees	Rupees	Rupees
NOTE 13 : OTHER EQUITY				
Capital Reserve:				
As per last Account		9,250		9,250
Security Premium Account :				
As per last Account		3,05,62,500		3,05,62,500
General Reserve :				
As per last Account		5,75,00,000		5,75,00,000
Retained Earnings :				
Balance as per last account	29,99,18,699		29,37,31,391	
Add: Profit for the year (as per Annexed Statement of Profit & Loss)	1,27,11,779		83,94,366	
	<u>31,26,30,478</u>		<u>30,21,25,757</u>	
Less: Appropriations				
Dividend paid during the year	18,33,750		18,33,750	
Tax on Dividend paid	3,76,932	31,04,19,796	3,73,308	29,99,18,699
Other Comprehensive income (OCI)				
Balance as per Last Account	2717636		1196122	
Equity instruments through OCI	-		-6440	
Re-measurement of the net defined benefit plans	820806		2062540	
Income Tax effect	<u>-228348</u>	3310094	<u>-534586</u>	2717636
		<u>40,18,01,640</u>		<u>39,07,08,085</u>

	<u>As at 31st March, 2019</u>		<u>As at 1st April, 2018</u>	
	Rupees	Rupees	Rupees	Rupees
NOTE 14 : BORROWINGS				
Secured				
Term Loans from Banks	30,54,27,860		34,91,56,250	
Less: Current Maturities of long term debts	<u>6,68,00,000</u>	<u>23,86,27,860</u>	<u>5,28,00,000</u>	<u>29,63,56,250</u>
		<u>23,86,27,860</u>		<u>29,63,56,250</u>

14.1 Term Loan of Rs. 13.75 crores 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).

14.2 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).

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

Maturity profile	1-2 Year	2-3 Year	3-4 Year	Beyond 4 Years
	6,68,00,000	6,68,00,000	7,03,00,000	3,47,27,860

	<u>As at 31st March, 2019</u>		<u>As at 31st March, 2018</u>	
	Rupees		Rupees	
NOTE 15 : NON CURRENT PROVISIONS				
Provision for Employee's Benefits (Refer Note 34)				
Leave encashment		67,09,436		54,52,893
Gratuity		<u>10,64,209</u>		<u>13,37,686</u>
		<u>77,73,645</u>		<u>67,90,579</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENT

	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
	Rupees	Rupees
NOTE 16 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
Difference between book and tax depreciation	4,09,12,638	5,18,50,070
	<u>4,09,12,638</u>	<u>5,18,50,070</u>
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	21,98,027	57,14,114
MAT Credit Entitlement	-	64,34,637
	<u>21,98,027</u>	<u>1,21,48,751</u>
Net Deferred Tax Liability	<u>3,87,14,611</u>	<u>3,97,01,319</u>

	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
	Rupees	Rupees
NOTE 17 : OTHER NON CURRENT LIABILITIES		
Deferred Receivables	3,27,22,956	3,54,95,478
	<u>3,27,22,956</u>	<u>3,54,95,478</u>

	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
	Rupees	Rupees
NOTE 18 : BORROWINGS - CURRENT		
Secured		
Working Capital Loans from Banks	4,43,58,540	11,47,88,706
	<u>4,43,58,540</u>	<u>11,47,88,706</u>

18.1 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 and immovables of the company, payable on demand.

	<u>As at 31st March, 2019</u>	<u>As at 31st March, 2018</u>
	Rupees	Rupees
NOTE 19 : TRADE PAYABLES		
Due to Micro, Small and Medium Enterprises	-	73,185
Others	5,87,99,387	10,09,22,599
	<u>5,87,99,387</u>	<u>10,09,95,784</u>

19.1 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 :-

	<u>31.03.2019</u>	<u>31.03.2018</u>
i) Amount due to Micro, Small and Medium Enterprises (MSME):		
Principal amount	-	73,185
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

	<u>As at 31st March, 2019</u>		<u>As at 31st March, 2018</u>	
	Rupees		Rupees	
NOTE 20 : OTHER CURRENT FINANCIAL LIABILITIES				
Current Maturities of long term debts (Refer Note 14)		6,68,00,000		5,28,00,000
Interest accrued but not due on borrowings		26,81,686		28,91,301
Unclaimed Dividend		12,04,568		12,96,052
Creditors for Capital Goods		73,70,013		97,00,930
		<u>7,80,56,267</u>		<u>6,66,88,283</u>
20.1 Unclaimed Dividend does not include any amount, due and outstanding, to be credited to Investor Education & Protection Fund.				
	<u>As at 31st March, 2019</u>		<u>As at 31st March, 2018</u>	
	Rupees		Rupees	
NOTE 21 : CURRENT TAX LIABILITIES (Net)				
Provision for taxation (net of advance tax & TDS)		17,81,169		-
		<u>17,81,169</u>		<u>-</u>
	<u>As at 31st March, 2019</u>		<u>As at 31st March, 2018</u>	
	Rupees		Rupees	
NOTE 22 : OTHER CURRENT LIABILITIES				
Advance from Customers		1,15,95,032		1,05,07,156
Statutory Dues		48,18,956		1,03,19,912
Other Payables		4,36,30,798		3,87,94,875
		<u>6,00,44,786</u>		<u>5,96,21,943</u>
22.1 Other payables include liabilities for expenses.				
	<u>As at 31st March, 2019</u>		<u>As at 31st March, 2018</u>	
	Rupees		Rupees	
NOTE 23 : PROVISIONS				
Provision for Employee's Benefits (Refer Note 34)		2,54,85,763		2,29,10,401
Other Provisions		1,37,31,297		1,71,58,750
		<u>3,92,17,060</u>		<u>4,00,69,151</u>
	<u>For the year ended 31st March, 2019</u>		<u>For the year ended 31st March, 2018</u>	
	Rupees	Rupees	Rupees	Rupees
NOTE 24 : REVENUE FROM OPERATIONS				
Sale of Products	1,05,10,23,714		1,04,11,30,837	
Other operating Revenues	55,93,079	1,05,66,16,793	61,41,681	1,04,72,72,518
		<u>1,05,66,16,793</u>		<u>1,04,72,72,518</u>
	<u>For the year ended 31st March, 2019</u>		<u>For the year ended 31st March, 2018</u>	
	Rupees	Rupees	Rupees	Rupees
NOTE 25 : OTHER INCOME				
Interest :				
On Fixed Deposits		1,96,406		5,57,131
From Others		7,47,063		3,31,707
Miscellaneous Income		9,70,134		2,42,212
Liabilities no longer required written back		5,72,990		4,53,783
		<u>24,86,593</u>		<u>15,84,833</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENT

NOTE 26 : CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND STOCK IN TRADE

	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	Rupees	Rupees	Rupees	Rupees
Inventories (at close)				
Finished Goods	43,78,258		69,35,917	
Stock - in - Trade	9,59,417		8,13,646	
Work in Progress	3,92,31,844		6,07,51,427	
Scrap	<u>5,12,190</u>	4,50,81,709	<u>3,73,489</u>	6,88,74,479
Inventories (at commencement)				
Finished Goods	69,35,917		91,53,573	
Stock - in - Trade	8,13,646		47,68,073	
Work in Progress	6,07,51,427		4,91,06,377	
Scrap	<u>3,73,489</u>	6,88,74,479	<u>3,54,692</u>	6,33,82,715
Change in Inventories		<u>2,37,92,770</u>		<u>-54,91,764</u>

NOTE 27 : EMPLOYEES BENEFITS EXPENSE

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Rupees	Rupees
Salaries and Wages (Refer Note 34)	19,30,35,918	17,56,17,856
Contribution to Provident and Other funds (Refer Note 34)	94,81,849	88,37,666
Staff Welfare Expenses	14,08,132	21,90,074
	<u>20,39,25,899</u>	<u>18,66,45,596</u>

NOTE 28 : FINANCE COSTS

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Rupees	Rupees
Interest Expenses	71,65,077	1,82,85,886
Other Borrowing costs	94,01,136	68,55,263
	<u>1,65,66,213</u>	<u>2,51,41,149</u>

NOTE 29 : DEPRECIATION AND AMORTISATION EXPENSES

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Rupees	Rupees
Depreciation and Amortisation	10,16,75,577	9,95,48,743
	<u>10,16,75,577</u>	<u>9,95,48,743</u>

29.1 Depreciation and amortisation is net of deferred receivable for the year Rs 2,772,522 (Rs. 2,772,522).

NOTE 30 : OTHER EXPENSES

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
	Rupees	Rupees
Consumption of Stores & Spare	4,30,77,743	3,48,83,329
Consumption of Packing material	6,93,73,566	6,14,22,485
Power and Fuel	3,00,85,450	2,84,31,329
Job Charges	3,98,70,707	3,41,60,272
Professional Expenses	1,33,82,800	3,11,21,880
Freight & Forwarding Charges	1,62,64,531	1,65,85,136
Sales Commission	2,68,63,104	2,39,45,131
Claims and Compensations	2,85,25,286	2,88,01,241
Excise Duty	-	1,92,61,126
Rent	29,78,428	20,22,261
Rates & Taxes (excluding taxes on Income)	4,30,890	12,44,900
Insurance	37,03,688	38,65,877
Travelling & Conveyance Expenses	3,74,23,599	4,51,62,420
Miscellaneous Expenses	6,77,10,788	5,70,83,424
Loss on Sale of Fixed Assets (net)	2,67,736	2,74,068
Loss on Sale of Investments	-	2,875
	<u>37,99,58,316</u>	<u>38,82,67,754</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENT

30.1 Miscellaneous Expenses includes :

	Rupees	Rupees
(a) Fees paid / payable to Auditors.		
i) For Services as Auditors	2,37,500	2,39,500
ii) For Certifications	53,000	39,500
	<u>2,90,500</u>	<u>2,79,000</u>
(b) Foreign exchange fluctuation	-51,19,662	47,95,005
(c) Director's Sitting Fee	8,85,000	8,85,000
(d) Bed Debts	2,78,11,049	2,55,391

NOTE 31 : Income Taxes

Income Tax recognised in the Statement of Profit and Loss by applying the applicable tax rates to the income before income tax is summarised below

	2018-19	2017-18
Profit Before Tax	1,74,58,238	17,24,287
Applicable Tax Rate	27.82%	30.90%
Computed Tax Expenses	48,56,882	5,32,805
Additional tax benefits on capital investments, research & development expenses net of expenses disallowed.	25,80,107	15,96,268
Mat Credit and Other Adjustments	-26,90,530	-87,99,152
Net Expenses recognised in the Statement of Profit and Loss	<u>47,46,459</u>	<u>-66,70,079</u>

NOTE 32 : Contingent Liabilities and Commitments (to the extent not provided for) :

32.1 Contingent Liabilities :

- Guarantees issued by banks for Rs. 2,662,960 (Rs. 2,001,775)
- Letters of Credits issued by banks for Rs 11,652,149 (Rs. Nil)
- Claims against the Company not acknowledged as debt Rs 1,239,461 (Rs. 1,239,461)
- Demands / Claims by various Government Authorities not acknowledge as debt :
 - Sales Tax of Rs Nil (Rs.391,080) pending appeals on account of non submission of declaration forms and other matters.

32.2 Commitments :

- Estimated amount of Contract remaining to be executed on capital account, not provided for Rs 53,865,116 (Rs.1,390,469), advances paid Rs 11,854,959 (Rs. 280,000).

NOTE 33 : Earning per Share (EPS) :

	2018-19	2017-18
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	1,27,11,779	83,94,366
c) Basic and Diluted earning per share (Rs.)	4.16	2.75

NOTE 34 : Employees Benefits Expenses :

- As per the Indian Accounting Standard 19 " Employee benefit" the disclosures as defined are given below :
 - Defined Contribution Plans
Contribution to Defined Contribution Plans (Employers' Contribution to Provident Fund and Employees State Insurance Corp.) are recognised as expenses and charged to the Statement of Profit & Loss
 - Defined Benefit Plans
Employees Gratuity and Leave encashment are considered as defined benefit plans. The obligation's are recognised in the Statement of Profit and

NOTES FORMING PART OF THE FINANCIAL STATEMENT

Loss as per the actuarial valuation. The position of actuarial valuation performed by an independent actuary is as under:

	As at 31.03.2019		As at 31.03.2018	
	Gratuity Partly funded	Leave Encashment Non funded	Gratuity Partly funded	Leave Encashment Non funded
a) Defined Benefit Obligation (DBO)				
Opening balance	1,07,54,826	2,26,85,746	1,00,71,445	2,66,70,000
Inc-/((decrease) in scope of consolidation	-	-	-	-
Current service cost	7,00,389	13,08,730	7,13,370	11,74,191
Interest cost	7,89,575	16,89,033	7,08,607	19,53,492
Past service cost	-	-	21,73,519	-1,06,21,464
Actuarial (gains) / losses from financial assumptions	71,290	3,40,855	-1,06,636	-1,42,781
Actuarial (gains) / losses from demographic assumptions	-	-	-	-
Actuarial (gains) / losses from experience adjustments	-8,87,576	8,19,475	-19,44,419	38,36,058
Contributions by plan participants	-	-	-	-
Benefits paid	-4,54,327	2,70,473	-8,61,060	-1,83,750
Curtailments - (gains)/losses	-	-	-	-
Settlements - (gains)/losses	-	-	-	-
Closing balance	10,74,177	2,65,73,366	1,07,54,826	2,26,85,746
b) Fair value of plan assets				
Opening balance	51,96,419	-	51,12,542	-
Inc-/((decrease) in scope of consolidation	-	-	-	-
Interest income on plan assets	3,94,111	-	3,65,018	-
Contributions by employer	5,71,105	2,70,473	5,68,434	1,83,750
Contributions by plan participants	-	-	-	-
Benefits paid	-4,54,327	-2,70,473	-8,61,060	-1,83,750
Excess / (insufficient) return on plan assets (excluding interest income)	4,520	-	11,485	-
Settlements - gains / (losses)	-	-	-	-
Closing balance	57,11,828	-	51,96,419	-
c) Reimbursement rights				
Opening balance	-	-	-	-
Inc-/((decrease) in scope of consolidation	-	-	-	-
Cost of reimbursement rights through P&L	-	-	-	-
Contributions by employer	-	-	-	-
Benefits paid / settlements	-	-	-	-
Excess / (insufficient) return on plan assets (excl. Interest income)	-	-	-	-
Closing balance	-	-	-	-
d) Calculation net position				
Actuarial present value of retirement pension commitment (DBO)	1,09,74,177	2,65,73,366	1,07,54,826	2,26,85,746
Fair value of plan assets	57,11,828	-	51,96,419	-
Net funded status - liability/(asset)	52,62,349	2,65,73,366	55,58,407	2,26,85,746
Unrecognized assets	-	-	-	-
Reimbursement rights	-	-	-	-
Net liability / (asset) recognized in BS	52,62,349	2,65,73,366	55,58,407	2,26,85,746
e) In Profit & Loss Statement				
Current service cost	7,00,389	13,08,730	7,13,370	11,74,191
Net interest on net DBO	3,95,464	16,89,033	3,43,589	19,53,492
Past service cost	-	-	21,73,519	-1,06,21,464
The effect of any curtailment or settlement	-	-	-	-
Interests on unrecognized asset (share of interest income on plan assets)	-	-	-	-



NOTES FORMING PART OF THE FINANCIAL STATEMENT

	As at 31.03.2019		As at 31.03.2018	
	Gratuity Partly funded	Leave Encashment Non funded	Gratuity Partly funded	Leave Encashment Non funded
Cost / (return) on reimbursement rights	-	-	-	-
Actual (gains) / Losses		11,60,330		36,93,277
Employee benefit cost of the period	10,95,853	41,58,093	32,30,478	-38,00,504
Actual return on plan assets	3,98,631	-	3,76,503	-
f) In Other comprehensive income				
Actuarial (gains) / losses	-8,16,286	-	-20,51,055	-
(Excess) / insufficient return on plan assets (excl. interest income)	-4,520	-	-11,485	-
Change in unrecognized assets	-	-	-	-
Revaluation of reimbursement right	-	-	-	-
Expense / (income) recognized in OCI	-8,20,806	-	-20,62,540	-
g) Movements in net liability/(asset)				
Opening balance - Net liability/(asset)	55,58,407	2,26,85,746	49,58,903	2,66,70,000
Mov. in inc-/ (decrease) in scope of consolidation	-	-	-	-
Mov. in benefits paid	-	-	-	-
Mov. in contributions by the employer	-5,71,105	-2,70,473	-5,68,434	-1,83,750
Mov. in contributions by the plan participants	-	-	-	-
Mov. in reimbursement rights	-	-	-	-
Expenses (income) recognized in income statement	10,95,853	41,58,093	32,30,478	38,00,504
Expense (income) recognized in OCI	-8,20,806	-	-20,62,540	-
Net liability/(assets) - Status	52,62,349	2,65,73,366	55,58,407	2,26,85,746
h) Actuarial assumptions				
Discount rate current year (%)	7.40%	7.20%	7.50%	7.49%
Expected rate for salary increases (%)	5.00%	5.00%	5.00%	5.00%
Pension trend (%)	-	-	-	-
Number of insured employees	209	209	216	215
Number of insured retired persons	-	-	-	-
Number of defined contribution plans	-	-	-	-
Number of defined benefit plans	1	1	1	1
thereof number of defined benefit funded	1	-	1	-
thereof number of defined benefit unfunded	-	1	-	1
Expected contributions to be paid for next year	64,10,031	-	66,51,035	-
Weighted average duration of the defined benefit plan (in years)	10	6.57	10	6.78
i) Sensitivity				
DBO at 31.3 with discount rate +1%	1,03,11,091	2,54,68,763	1,01,06,784	2,17,66,476
Corresponding service cost	6,26,156	11,92,359	6,36,059	10,66,112
DBO at 31.3 with discount rate -1%	1,17,57,405	2,78,96,680	1,15,19,441	2,37,93,349
Corresponding service cost	7,91,321	14,50,479	8,08,526	13,07,133
DBO at 31.3 with +1% salary escalation	1,16,52,782	2,79,13,100	1,14,18,842	2,38,10,468
Corresponding service cost	7,82,594	14,52,251	7,99,298	13,09,208
DBO at 31.3 with -1% salary escalation	1,03,91,249	2,54,37,779	1,01,83,213	2,17,38,440
Corresponding service cost	6,32,477	11,89,124	6,42,719	10,62,852
DBO at 31.3 with +50% withdrawal rate	1,10,09,154	2,66,10,606	1,07,91,639	2,27,24,963
Corresponding service cost	7,04,336	13,12,553	7,17,994	11,78,851
DBO at 31.3 with -50% withdrawal rate	1,09,38,572	2,65,35,531	1,07,17,316	2,26,45,837
Corresponding service cost	6,96,346	13,04,829	7,08,626	11,69,426
DBO at 31.3 with +10% mortality rate	1,09,81,501	2,65,81,184	1,07,62,223	2,26,93,254
Corresponding service cost	7,01,237	13,09,619	7,14,301	11,75,153
DBO at 31.3 with -10% mortality rate	1,09,66,825	2,65,65,515	1,07,47,400	2,26,78,206
Corresponding service cost	6,99,537	13,07,838	7,12,435	11,73,226

NOTES FORMING PART OF THE FINANCIAL STATEMENT

	As at 31.03.2019		As at 31.03.2018	
	Gratuity Partly funded	Leave Encashment Non funded	Gratuity Partly funded	Leave Encashment Non funded
j) Major categories of total plan assets				
Cash- & cash equivalents	57,11,828		51,96,419	
thereof non-quoted market price	57,11,828		51,96,419	
Equity instruments	-		-	
thereof non-quoted market price	-		-	
Debt instruments	-		-	
thereof non-quoted market price	-		-	
Real estate investments	-		-	
thereof non-quoted market price	-		-	
All other instruments	-		-	
thereof non-quoted market price	-		-	
Total	57,11,828		51,96,419	
Annual comparison				
in absolute terms:				
Defined benefit obligation (DBO)	1,09,74,177	2,65,73,366	1,07,54,826	2,26,85,746
Fair value of plan assets	57,11,828	-	51,96,419	-
Asset ceiling	-	-	-	-
Net funded status	52,62,349	2,65,73,366	55,58,407	2,26,85,746

NOTE 35 : As per Ind As 24 , the disclosures of transactions with the related parties are given below

35.1 Names of the related parties with whom transactions were carried out during the year and description of relationship :

- | | |
|---|--|
| <p>a) Enterprises over which Key Management Personnel exercises significant influence</p> <ul style="list-style-type: none"> i) Kingsley Industries Ltd ii) W & F Securities Pvt Ltd (Holding Company) iii) Nathmall Jankilal iv) Nathmall Jankilal Khaitan Charitable Trust v) SMK Foundation | <p>b) Key Management personnel</p> <ul style="list-style-type: none"> i) Mr. K K Khaitan ii) Mr. Mahendra Khaitan iii) Mr. Devesh Khaitan iv) Mr. Rajesh Patni v) Mr. Abhishek Upadhyaya |
| <p>c) Relatives of Key Management personnel</p> <ul style="list-style-type: none"> i) Ms. Pranika Khaitan Rawat D/o Mr. Mahendra Khaitan | |

35.2 The following transactions were carried out with the related parties in the ordinary course of business

	2018-19 Rupees	2017-18 Rupees
a) Details relating to parties referred to in item 35.1(a) above		
i) Purchase and receiving of Services	95,70,748	16,80,965
ii) Rent Paid	13,25,178	13,25,178
iii) Donations	20,00,000	20,00,000
iv) Outstanding - Payable (Net)	Nil	Nil
v) Outstanding - Receivable (Net)	Nil	Nil
vi) Provisions for doubtful debts /amounts written off /written back	Nil	Nil
b) Details relating to parties referred to in item 35.1(b) above.		
i) Remuneration	6,54,08,398	5,72,49,584
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 35.1(c) above.		
i) Fee for attending the Board Meetings	1,05,000	1,05,000
ii) Outstanding - Payable	Nil	Nil
iii) Provisions for doubtful debts /amounts written off /written back	Nil	Nil



NOTES FORMING PART OF THE FINANCIAL STATEMENT

NOTE 36 : Research & Development Expenditure :	<u>Rupees</u>	<u>Rupees</u>
Capital Expenditure (included in Plant & Machinery)	2,90,000	41,930
Revenue Expenditure	2,72,92,615	2,86,15,676

NOTE 37 : Money received from directors during the year Nil Nil

NOTE 38 : The company is predominantly engaged in a single reportable operating segment of Paper Mill products during the year, hence segment information is not reported.

NOTE 39 : Events after the Reporting Period -

The Board of Directors at its meeting held on 28.05.2019 has proposed Dividend of Rs 0.60 per equity share for the year ended on 31st March 2019, after the Balance Sheet date. The proposed Dividend on Equity Shares for the year is Rs. 1,833,750 (1,833,750) and dividend distribution tax on proposed dividend is Rs. 376,933 (376,933)

NOTE 40 : Capital management

The company's capital management is intended to create value for shareholders and maintain optimum capital structure to reduce the cost of capital. The Company determines the amount of capital required on the basis of annual business plan, coupled with long term and short term requirements and company's expansion / modernisation plans, reviewed by Board of Directors. The funding needs are generally met through long term and short term bank borrowings. The Company monitors the capital structure on the basis of net debt to equity and maturity profiles of the overall debt portfolio of the company. Net debt includes interest bearing borrowings less cash and cash equivalents and current investments, if any.

The table below summarised the capital, net debt to equity ratio of the Company:

	<u>As at 31.03.2019</u>	<u>As at 31.03.2018</u>
Equity share capital	3,05,62,500	3,05,62,500
Other equity	40,18,01,640	39,07,08,085
Total Equity (A)	43,23,64,140	42,12,70,585
Non current borrowings	23,86,27,860	29,63,56,250
Short term borrowings	4,43,58,540	11,47,88,706
Current maturities of long term borrowings	6,68,00,000	5,28,00,000
Gross Debts (B)	34,97,86,400	46,39,44,956
Less: Cash and cash equivalents	18,86,678	2,75,52,815
Less: Other Bank Balances (excluding balances in unpaid dividend accounts)	1,25,60,000	11,00,000
Net Debt (C-B)	33,53,39,722	43,52,92,141
Net debt to Equity	0.78	1.03

NOTE 41 : Disclosure on Financial Instruments

The table below present the carrying value and fair value hierarchy of each category of financial assets and financial liabilities as on respective balance sheet date :

	<u>Carrying Value</u>	<u>As at 31.03.2019</u>		
		<u>Fair Value measurement hierarchy</u>		
		Level 1	Level 2	Level 3
a Financial Assets				
i) At Amortised cost				
Trade receivable	30,70,86,641			
Cash and bank balances	1,56,51,246			
Loans	27,18,500			
Other financial assets	21,71,430			
	<u>32,76,27,817</u>			
b Financial Liabilities				
i) At Amortised cost				
Borrowings	28,29,86,400			
Trade payables	5,87,99,387			
Other financial liabilities	7,80,56,267			
	<u>41,98,42,054</u>			

NOTES FORMING PART OF THE FINANCIAL STATEMENT

	Carrying Value	As at 31.03.2018		
		Fair Value measurement hierarchy		
		Level 1	Level 2	Level 3
a Financial Assets				
i) At Amortised cost				
Trade receivable	35,44,39,913			
Cash and bank balances	2,99,48,867			
Loans	27,40,900			
Other financial assets	13,20,244			
	38,84,49,924			
b Financial Liabilities				
i) At Amortised cost				
Borrowings	41,11,44,956			
Trade payables	10,09,95,784			
Other financial liabilities	6,66,88,283			
	57,88,29,023			

The fair value hierarchy categorised financial instruments into Level 1 to 3, as described below:

- i) Quoted prices in an active market (Level 1):
This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consist of investment in quoted equity shares.
- ii) Valuation techniques with observables inputs (Level 2):
This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the assets or the liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- iii) Valuation techniques with significant unobservable inputs (Level 3):
This level of hierarchy includes financial assets and liabilities, measured using inputs that are not based on observable market data (unobservable inputs).
- iv) Short term financial assets and financial liabilities are stated at carrying value which is approximately equals to their fair value.

NOTE 42 : Financial risk Management

In the Course of its business, the Company is exposed to a variety of financial risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy to monitor financial risk - Market risk, Credit risk and Liquidity risk associated with financial assets and liabilities. The risk management policies is reviewed by Board of Director periodically and required mitigation steps are taken.

a) Market Risk

The primary market risk to the Company is fluctuation in foreign currency exchange rates. The Company is exposed to foreign currency risk through its sales in overseas countries (exports) and purchases from overseas suppliers (imports) in foreign currencies. The company pays off its foreign exchange exposure within a short period of time. Presently Company's exports broadly mitigate the risk for imports except capital goods. However, with increase in exports, profitability may be partly affected if rupee appreciates. The Company has facilities of derivative financial instrument- foreign exchange forward and option contracts to mitigate the risk.

b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 317,604,722 and Rs 364,762,713 as on as on 31.03.19 and as on 31.03.18 respectively. Trade receivable are unsecured and are derived from revenues from customers. The company has a Credit review & monitoring system which includes credit approvals, credit limits and monitoring. Doubtful debt strategies are made for recovery and limiting future exposure. Exports are preferably through LC or advance, besides covering the risk from credit risk agency, wherever applicable. Credit risk on cash and cash equivalent and bank balances is limited as the Company generally maintain balances / deposits with recognised banks.

c) Liquidity Risk

Liquidity risk refer to the risk that the Company may not able to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per the requirement. The Company has obtained adequate fund and non fund based working capital limits from its bankers. The Company maintains its surplus funds, if any, in deposits / balances which carry low risk. The Company believes that the working capital is sufficient to meet its current requirements.



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NOTES FORMING PART OF THE FINANCIAL STATEMENT

The Table below provides details regarding the Company maturities of financial liabilities:

	<u>As at 31.03.2019</u>	<u>As at 31.03.2018</u>
<u>Less than 1 Year</u>		
Borrowings	11,11,58,540	16,75,88,706
Trade Payables	5,87,99,387	10,09,95,784
Other Financial Liabilities	1,12,56,267	1,38,88,283
	<u>18,12,14,194</u>	<u>28,24,72,773</u>
<u>More than 1 Year</u>		
Borrowings	23,86,27,860	29,63,56,250
	<u>23,86,27,860</u>	<u>29,63,56,250</u>

NOTE 43 : Approval of Financial Statements

The Financial statements were approved by the Board of Directors on 28th May, 2019

NOTE 44 : Previous years figures have been rearranged and regrouped wherever applicable and considered necessary

NOTE 45 : Figures in brackets represent figures for the previous year.

As per our Report of even date

For **S. K. AGRAWAL AND CO.**
Chartered Accountants
Firm Reg. No. 306033E
VIVEK AGARWAL
Partner
M. No. 301571

Abhishek Upadhyaya
Company Secretary

Rajesh Patni
CFO

M. Khaitan
Managing Director
DIN : 00459612

K. K. Khaitan
Chairman cum
Managing Director
DIN : 00514864

KOLKATA
The 28th day of May, 2019

For and on behalf of the Board

If undelivered, please return to :

WIRES AND FABRIKS (S.A.) LIMITED

7, CHITTARANJAN AVENUE, KOLKATA - 700 072