



**wires & fabriks**

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

**ANNUAL REPORT**

**2017 - 2018**



**wires & fabriks**

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#### **OUR PRODUCT RANGE**

- Paper Machine Clothing
- Paper Making Chemicals

#### **Directors**

Dinkarray Durgashankar Trivedi

Mohan Lal Bhagat

Saroj Khemka

Satish Ajmera

Subrata Kumar Atindra Mitra

Pranika Khaitan

Devesh Khaitan, *Executive Director*

Mahendra Khaitan, *Managing Director*

Kishan Kumar Khaitan, *Chairman cum Managing Director*

#### **Secretary**

Abhishek Upadhyaya

#### **Auditors**

S. K. Agrawal & Co.

#### **Registered Office**

7, Chittaranjan Avenue, Kolkata 700072

[www.wirefabrik.com](http://www.wirefabrik.com)

[cs@wirefabrik.com](mailto:cs@wirefabrik.com)

+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.*

## DIRECTORS' REPORT

### For the Year 2017-18

Dear Members,

The Directors of the Company have pleasure in presenting the 61st Annual Report and Audited Financial Statements of the Company for the year ended 31st March, 2018.

#### FINANCIAL RESULTS

The financial results, in brief, for the year ended 31st March, 2018 are as under:

	(Rs. in Lacs)	
	31.03.2018	31.03.2017
Total Income (net of excise duty)	10295.96	10117.25
Profit After Tax	83.94	4.03
Retained Earnings	2999.19	2937.31

#### 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, 2018.

#### OPERATIONS & FUTURE OUTLOOK

During the year under review, the current economic scenario in general & the paper industry scenario in particular, continued to affect the Company. The Company closed the Financial Year with a nominal increase in turnover. The PAT has improved.

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. Your company is ready with capacity, technology & products for the same.

#### DIRECTORS

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

Jaipur  
30th May, 2018

#### AUDITORS

M/s S. K. Agrawal & Co., Chartered Accountants, (Firm Regn No. 306033E) Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment for the term of five years, from the conclusion of the forthcoming 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.

The Secretarial Audit was carried out by Mr. B. N. Khandelwal, Practising Company Secretary (Certificate of Practice No. 1148) for the financial year ended 31st March, 2018. In terms of provisions of the Companies Act, on recommendation of the Audit Committee, the Board at its meeting held on 30th May 2017 had appointed Mr. B. N. Khandelwal, Practising Company Secretary (Certificate of Practice No. 1148) as the Secretarial Auditor for the financial year ending 31st March 2018. The Secretarial Auditors' Report for the financial year ending 31st March 2018 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**  
**Chairman cum Managing Director**  
 DIN: 00514864

**M. Khaitan**  
**Managing Director**  
 DIN: 00459612

## ANNEXURE TO THE DIRECTORS' REPORT

### Informations

- The details forming part of the extract of the Annual Return in prescribed form MGT 9 is annexed herewith.
- The details of the Board Meetings held during the Financial Year 2017-18 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, 2017.

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 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, 2017.

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, 2017. For the financial year 2017-18, the CSR Committee had been re-constituted by the Board of Directors of the Company at its meeting held on 10th February, 2017 and the constitution of the Committee is as follows:

Sl. Nr.	Name	Category in Committee	Designation
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/CSRP.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 2017-18 the Company did not fall under the purview of 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 performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and Nomination & Remuneration Committee.

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 2017 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, 2017 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 2018.
- The Company has not accepted any kind of Deposits from the Public during the F-Y 2017-18. As on 31st March 2018, 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; 2017. 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, 2018 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, 2018 have been furnished in extract of the Annual Return as annexed.
- The Company has transferred a total sum of Rs. 1,29,741 during the financial year 2017-18 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 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 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.

**ANNEXURE TO THE DIRECTORS' REPORT - EXTRACT OF ANNUAL RETURN**

**Form No. MGT-9**

**Extract of Annual Return**

As on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	L29265WB1957PLC023379
2.	Registration	Date 9th March, 1957
3.	Name of the Company	Wires and Fabriks (S.A.) Limited
4.	Category/Sub-Category of the Company	Public Company Limited by shares
5.	Address of Registered Office and Contact details	7, Chittaranjan Avenue, Kolkata – 700 072, +91 40124012, cs@wirefabrik.com, www.wirefabrik.com
6.	Whether listed Company (Yes/No)	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	ABS Consultant Private Limited 99, Stephen House, 6th Floor, 4, B. B. D. Bagh (E), Kolkata 700 001. absconsultant@vsnl.net; +91 33 22301043

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company:

Sr. Nr.	Name and Description of Main Product/Services	NIC Code of the Product	% to total turnover of the company.
1.	Technical Textiles	139 - Manufacture of other Textiles	76.73%
2.	Chemicals	202 - Manufacture of other Chemical products	21.43%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. Nr.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Co.	% of Shares held	Applicable Section
1.	W & F Securities Private Limited 7, Chittaranjan Avenue Kolkata – 700 072	U67120WB1997PTC086188	Holding	62.90	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**i. Category-wise Share Holding.**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total		
<b>A. Promoters</b>										
1. Indian										
a. Individual/ HUF	16200	-	16200	0.53	16200	-	16200	0.53	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	2270156	-	2270156	74.28	2270156	-	2270156	74.28	-	-
e. Bank/ FI	-	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total- A-(1)</b>	<b>2286356</b>	<b>-</b>	<b>2286356</b>	<b>74.81</b>	<b>2286356</b>	<b>-</b>	<b>2286356</b>	<b>74.81</b>	<b>-</b>	<b>-</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
2. Foreign									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corporate	-	-	-	-	-	-	-	-	-
d. Bank/ FI	-	-	-	-	-	-	-	-	-
e. Any Others	-	-	-	-	-	-	-	-	-
Sub-Total- A-(2)	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters A(1+2)</b>	<b>2286356</b>	<b>-</b>	<b>2286356</b>	<b>74.81</b>	<b>2286356</b>	<b>-</b>	<b>2286356</b>	<b>74.81</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institution									
a. Mutual Funds	100	1100	1200	0.04	100	450	550	0.02	-0.02
b. Bank/ FI	100	350	450	0.01	100	100	200	0.01	-
c. Cent. Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
<b>Sub-Total- B-(1)</b>	<b>200</b>	<b>1450</b>	<b>1650</b>	<b>0.05</b>	<b>200</b>	<b>550</b>	<b>750</b>	<b>0.03</b>	<b>-0.02</b>
2. Non -Institution									
a. Bodies Corporate									
i) Indian	149926	1605	151531	4.96	148048	325	148373	4.85	-0.11
ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
i) Individual Shareholders holding Nominal Share Capital upto Rs. 1 Lac	343572	239238	582810	19.07	372648	175537	548185	17.94	-1.13
ii) Individual Shareholders holding Nominal Share Capital in excess of Rs. 1 Lac	24506	-	24506	0.80	15117	-	15117	0.49	-0.31
c. Others									
i) NRI	4597	4800	9397	0.31	4257	3600	7857	0.26	-0.05
<b>Sub-Total- B-(2)</b>	<b>522601</b>	<b>245643</b>	<b>768244</b>	<b>25.14</b>	<b>540070</b>	<b>179462</b>	<b>719532</b>	<b>23.54</b>	<b>-1.60</b>
<b>Total Public Shareholding B(1+2)</b>	<b>522801</b>	<b>247093</b>	<b>769894</b>	<b>25.19</b>	<b>540270</b>	<b>180012</b>	<b>720282</b>	<b>23.57</b>	<b>-1.62</b>
<b>C. IEPF Authority</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49612</b>	<b>-</b>	<b>49612</b>	<b>1.62</b>	<b>1.62</b>
<b>D. Shares held by Custodian for GDRs &amp; ADRs</b>									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C+D)</b>	<b>2809157</b>	<b>247093</b>	<b>3056250</b>	<b>100.00</b>	<b>2876238</b>	<b>180012</b>	<b>3056250</b>	<b>100.00</b>	<b>0.00</b>

**ii. Shareholding of Promoters.**

Sr. Nr.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	
1.	Kishan Kumar Khaitan	100	0.00	-	100	0.00	-	-
2.	Mahendra Khaitan	500	0.02	-	500	0.02	-	-
3.	Devesh Khaitan	100	0.00	-	100	0.00	-	-
4.	Ranjana Khaitan	100	0.00	-	100	0.00	-	-
5.	Shailja Khaitan	100	0.00	-	100	0.00	-	-
6.	Parul Khaitan	100	0.00	-	100	0.00	-	-
7.	Master Viraj Khaitan	100	0.00	-	100	0.00	-	-
8.	Master Reyansh Khaitan	100	0.00	-	100	0.00	-	-
9.	Pranika Khaitan	5000	0.16	-	5000	0.16	-	-
10.	Varshita Khaitan	5000	0.16	-	5000	0.16	-	-
11.	Divisha Khaitan	5000	0.16	-	5000	0.16	-	-
12.	W & F Securities Pvt. Ltd.	1922314	62.90	-	1922314	62.90	-	-
13.	BKM Mercantile Pvt. Ltd.	347642	11.37	-	347642	11.37	-	-
14.	Wires and Fabriks Pvt. Ltd.	100	0.00	-	100	0.00	-	-
15.	W & F Millennium Mercantile Pvt. Ltd.	100	0.00	-	100	0.00	-	-
	<b>Total</b>	<b>2286356</b>	<b>74.81</b>	<b>-</b>	<b>2286356</b>	<b>74.81</b>	<b>-</b>	<b>-</b>

**iii. Change in Promoters' Shareholding**

There has been no Change in the Promoters Shareholding during the Financial Year 2017-18.

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs).**

Sr. Nr.	Top Ten Shareholders	Shareholding at the beginning of the year 1st April, 2017		Shareholding at the end of the year 31st March, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Fountain Vanijya Pvt. Ltd.	112559	3.68	122658	4.01
2.	IEPF Authority	-	-	49612	1.62
3.	Sumedha Sharma	14456	0.47	15117	0.49
4.	Golden Goenka Credit Pvt. Ltd.	11088	0.36	9488	0.31
5.	Kanchan Chandak	-	-	7850	0.26
6.	Rajesh Hiranandani	-	-	6650	0.22
7.	Bijal Suresh Dalal	5500	0.18	5500	0.18
8.	Muktilal Ganulal Paldiwal	-	-	5490	0.18
9.	Hemant D Jain	5000	0.16	5000	0.16
10.	Neha Saraf	5000	0.16	5000	0.16
11.	Vidhi Pasari	5000	0.16	5000	0.16
12.	Suraj Ratan Mundhra	10050	0.33	-	-
13.	Arcadia Share & Stock Brokers Pvt. Ltd	6671	0.22	-	-
14.	Vinay R Somani	4410	0.14	-	-

**v. Shareholding of Directors and Key Managerial Personnel.**

Sr. Nr.	For each of the Director and KMP Name of the Director / KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Kishan Kumar Khaitan – CMD				
	At the beginning of the Year	100	0.00	100	0.00
	At the end of the Year			100	0.00
2.	Mr. Mahendra Khaitan – Managing Director				
	At the beginning of the Year	500	0.02	500	0.02
	At the end of the Year			500	0.02
3.	Mr. Devesh Khaitan – Executive Director				
	At the beginning of the Year	100	0.00	100	0.00
	At the end of the Year			100	0.00
4.	Ms. Pranika Khaitan – Director				
	At the beginning of the Year	5000	0.16	5000	0.16
	At the end of the Year			5000	0.16
5.	Mr. D. D. Trivedi – Director				
	At the beginning of the Year	500	0.02	500	0.02
	Sold during the year	(500)	(0.02)	-	-
	At the end of the Year			-	-
6.	Mr. Rajesh Patni – CFO				
	At the beginning of the Year	140	0.00	140	0.00
	At the end of the Year			140	0.00

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in Lacs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
1. Principal Amount	6331.05	-	-	<b>6331.05</b>
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	40.21	-	-	<b>40.21</b>
<b>Total of (1+2+3)</b>	<b>6371.26</b>	-	-	<b>6371.26</b>
<b>Change in Indebtedness during the financial year</b>				
+ Addition	151.56	-	-	
- Reduction	1854.46	-	-	
Net change	<b>(1702.90)</b>	-	-	
<b>Indebtedness at the end of the financial year-31.03.2018</b>				
1. Principal Amount	4639.45	-	-	4639.45
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	28.91	-	-	28.91
<b>Total of (1+2+3)</b>	<b>4668.36</b>	-	-	<b>4668.36</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager.**

(Rs. in Lacs)

Sr. Nr.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Kishan Kr. Khaitan	Mr. Mahendra Khaitan	Mr. Devesh Khaitan	
	Gross Salary				
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	158.40	158.40	148.80	<b>465.60</b>
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	1.04	0.81	0.63	<b>2.48</b>
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
	Commission	-	-	-	-
4.	- As % of Profit	-	-	-	-
	- Others	-	-	-	-
5.	Others	18.72	18.72	17.86	<b>55.30</b>
	Provident Fund & other Funds				
	<b>Total (A)</b>	<b>178.16</b>	<b>177.93</b>	<b>167.29</b>	<b>523.38</b>
	Ceiling as per the Act	As per Approvals received from the Central Government			

**B. Remuneration of Other Directors:**

**I. Independent Directors.**

(Rs. in Lacs)

Particulars of Remuneration	Name of Directors					Total Amount
	Mr. S. Ajmera	Mr. M. L. Bhagat	Mr. S. Khemka	Mr. S. K. Mitra	Mr. D. D. Trivedi	
Fee for attending board committee meetings	1.95	0.90	1.95	1.95	1.05	<b>7.80</b>
Commission	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Total B (I)</b>	<b>1.95</b>	<b>0.90</b>	<b>1.95</b>	<b>1.95</b>	<b>1.05</b>	<b>7.80</b>

**II. Other Non-Executive Directors.**

(Rs. in Lacs)

Particulars of Remuneration	Name of Directors				Total Amount
	Ms. Pranika Khaitan				
Fee for attending board committee meetings	1.05				<b>1.05</b>
Commission	-				-
Others	-				-
<b>Total B (II)</b>	<b>1.05</b>				<b>1.05</b>
<b>Total B (I+II)</b>					<b>8.85</b>
Ceiling as per the Act	As per Section 197(5) of the Companies Act, 2013				

**C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD.**

(Rs. In Lacs)

Sr. Nr.	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. Rajesh Patni, CFO	Mr. Abhishek Upadhyaya, CS	
	Gross Salary			
1.	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	41.85	6.84	<b>48.69</b>
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	0.22	-	<b>0.22</b>
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
	Commission	-	-	-
4.	- As % of Profit	-	-	-
	- Others	-	-	-
5.	Others Contribution to Provident Fund	0.11	0.11	<b>0.22</b>
	<b>Total (C)</b>	<b>42.18</b>	<b>6.95</b>	<b>49.13</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed	Authority (RD / NCLT / Court)	Appeal made, if any
A.	<b>Company</b> Penalty Punishment Compounding		<b>None</b>		
B.	<b>Directors</b> Penalty Punishment Compounding		<b>None</b>		
C.	<b>Other Officers in Default</b> Penalty Punishment Compounding		<b>None</b>		

## 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 2018.

#### 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	: 0.42
(b) Revenue	: 286.16
(c) Total	: 286.58
(d) Total R & D Expenditure (as a % of total turnover)	: 2.74%

#### 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	: 2377.18
Foreign Exchange used	: 3019.72

## **ANNEXURE TO THE DIRECTORS' REPORT – SECRETARIAL AUDIT REPORT**

### **Secretarial Audit Report**

#### **FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

[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 2018, 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 Wires and Fabriks (S.A.) Limited ("The Company") for the financial year ended on 31st March 2018 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 (Listing Obligation and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - e. 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;

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.



## **wires & fabriks**

### **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.

**I further report that** during the audit period the Company had pursuant to Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 obtained the Central Government approval with respect to remuneration of Chairman cum Managing Director, Managing Director and Executive Director of the Company.

Place : Kolkata  
Date : 30th May, 2018

**B. N. Khandelwal**  
Company Secretary in Practice  
C.P. No. : 1148  
M. NO. : 1614

**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**  
Kolkata

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.

Place : Kolkata  
Date : 30th May, 2018

**B. N. Khandelwal**  
Company Secretary in Practice  
C.P. No. : 1148  
M. NO. : 1614



## 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 2017 (12.30 P.M. & 2.00 P.M.), 12th September, 2017 (1.00 P.M. & 1.30 P.M.), 14th December, 2017 (1.00 P.M. & 1.30 P.M.) and 03rd February 2018 (01.00 P.M. & 01.30 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 61st 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	8	Yes	3	-	-
Mr. M. Khaitan, Managing Director	PE	8	Yes	3	-	-
Mr. Devesh Khaitan, Executive Director	PE	4	Yes	3	-	-
Mr. Satish Ajmera	NEI	8	Yes	3	1	3
Mr. M. L. Bhagat	NEI	4	No	1	-	-
Mr. Saroj Khemka	NEI	8	Yes	-	-	-
Mr. S. K. Mitra	NEI	8	Yes	3	1	-
Mr. D. D. Trivedi	NEI	4	No	2	2	-
Ms. Pranika Khaitan	NENI	6	No	-	-	-

PE: Promoter & Executive, NEI: Non Executive & Independent, NENI: Non Executive & Non Independent, \*Audit Committee & Stakeholders Relationship Committee only.

Mr. Devesh Khaitan is the son of Mr. K.K. Khaitan and Ms. Pranika Khaitan is the daughter of Mr. M. Khaitan.

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>

### 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 2017, 12th September, 2017, 14th December, 2017 and 03rd February 2018.

Mr. Satish Ajmera, Mr. S. K. Mitra, Mr. D. D. Trivedi, Mr. M. L. Bhagat, Mr. Saroj Khemka and Mr. M. Khaitan attended 4, 4, 2, 2, 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. 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 2017, which was attended by Mr. Saroj Khemka, Mr. Satish Ajmera and Ms. Pranika Khaitan. 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 2017-18.

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	1,58,40,000	19,76,190	-	1,78,16,190
Mr. M. Khaitan, Managing Director	1,58,40,000	19,53,118	-	1,77,93,118
Mr. Devesh Khaitan, Executive Director	1,48,80,000	18,48,255	-	1,67,28,255
Ms. Pranika Khaitan, Director	-	-	1,05,000	1,05,000
Mr. Satish Ajmera, Director	-	-	1,95,000	1,95,000
Mr. M. L. Bhagat, Director	-	-	90,000	90,000
Mr. S. Khemka, Director	-	-	1,95,000	1,95,000
Mr. S. K. Mitra, Director	-	-	1,95,000	1,95,000
Mr. D. D. Trivedi, Director	-	-	1,05,000	1,05,000

## 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

During the period under review, Stakeholders Relationship Committee headed by Mr. D. D. Trivedi, comprised of a Executive Director, Mr. M. Khaitan, Managing Director. 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 2017, which was attended by Mr. D. D. Trivedi and Mr. M. Khaitan. Grievances requiring specific guidance in between the meetings are communicated to the Chairman and redressed as per his advice.

The Company has received two 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 12th day of September, 2017 at 2.30 P.M. (at Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata 700017), 9th August, 2016 at 12.00 Noon and 12th August, 2015 at 12.00 Noon (both 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 : Saturday, 11th August, 2018 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 : 5th August, 2018 to 11th August, 2018 (both days inclusive)
- (e) Listing of Stock Exchanges & Stock Code :

B.S.E. Ltd. P. J. Towers, Dalal Street Mumbai 400 001 (Stock Code: 507817)	The Calcutta Stock Exchange Ltd 7, Lyons Range Kolkata 700 001 (Stock Code: 10033008)
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The annual listing fee for the year 2018-2019 has been paid to the above Stock Exchanges.

- (f) Share Price Data, as traded at Bombay Stock Exchange Limited during 2017-2018: (in Rs.)

	2017						2018					
	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<b>High</b>	148.90	160.10	127.90	122.30	120.75	119.95	125.80	125.90	129.80	150.15	137.90	120.00
<b>Low</b>	109.40	127.75	100.00	105.75	99.20	100.15	101.05	107.05	108.35	118.00	110.10	95.05

(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:

	As on 31.03.2017	As on 31.03.2018	Increase / (Decrease) %
BSE Sensex	29620.50	32968.68	11.30
Company's Stock Price at BSE (Rs.)	111.85	104.00	(7.02)

(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, 2018 :

No. of shares	No. of Equity Shareholders	% of Shareholders	No. of Equity Shares held	% of Shareholding
1 to 1000	3455	98.04	4,23,002	13.84
1001 to 10000	64	1.82	1,75,905	5.76
10001 & above	5	0.14	24,57,343	80.40
<b>Total</b>	<b>3524</b>	<b>100.00</b>	<b>30,56,250</b>	<b>100.00</b>

Categories of Shareholding as on 31st March, 2018

Category	No. of Shares held	% of Shareholding
Promoters	22,86,356	74.81
Mutual Funds	550	0.04
Financial Intuitions / Banks	200	0.01
Public Shareholders - Individuals	5,63,302	18.43
Public Shareholders - Bodies Corporate	1,48,373	4.85
Others	57,469	1.88

- (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 94.11% of shares were held in dematerialisation form by the shareholders of the Company, as on 31st March, 2018. 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.

**10. DISCLOSURES**

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) The Company does not have a Subsidiary and as such no Policy for determining 'material subsidiaries was formulated.
- (vi) 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>
- (vii) During the financial year ended 31st March, 2018 the Company did not engage in commodity hedging activities.

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

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.

**For and on behalf of the Board**

Jaipur  
30th May, 2018

**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, 2018.

Jaipur  
30th May, 2018

**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, 2018.**

We have examined the Compliance of the conditions of Corporate Governance by Wires and Fabriks (S.A.) Limited for the year ended 31st March, 2018 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination is limited to the review of the procedures and implementation thereof, 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

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

8, Ganesh Chandra Avenue, Kolkata  
Dated, the 30th day of May, 2018

**(B.N. KHANDELWAL)**  
Company Secretary in Practice  
C.P. No. 1148  
M. No. 1614

## **MANAGEMENT DISCUSSIONS & ANALYSIS REPORT 2017-18**

### **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**

Company is ready with Capacity, Technology & Products 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 nominal increase in turnover. Profits have improved. The Company plans to further strengthen the areas where more improvement opportunities exist.

### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS**

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

### **CAUTIONARY STATEMENT**

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying Ind AS financial statements of Wires & Fabriks (S.A) Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. 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; 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the change in equity for the year ended on that date.

### **OTHER MATTERS**

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening Balance Sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the previous auditors whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 30th May, 2017 and 25th May, 2016 respectively expressed an unmodified

opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion on the Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- I. 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.
- II. 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 it appears from our examination of those books;
  - (c) The Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 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".
  - (g) 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 on its financial position in its financial statements. (Refer Note 32 to the Ind AS financial statements)
    - 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 & Co.**  
Chartered Accountants

Place: Kolkata  
Date: 30th May 2018

**J K Choudhury**  
Partner  
Membership No.: 009367

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our report to the members of **Wires & Fabriks (S.A.) Limited** ('the Company') for the year ended on 31st March 2018. We report that:

- i.
  - 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 physically verified by the Management during the year and according to the information and explanations 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 the information and explanations given to us and the records examined by us including registered title



deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company as at the Balance Sheet date.

- ii. According to the information and explanations 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 or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly Clauses (iii) (a) and clause (iii) (b) and clause (iii) (c) of paragraph 3 of the order is not applicable.
- iv. Based on our audit procedure and on the basis of information and explanations given to us by the management, we are of opinion that the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public 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, Duty of Customs, Duty of Excise, Goods and service tax, Cess 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 2018 for a period of more than six months from the date of becoming payable.
  - (b) According to the information and explanations given to us, details of dues of Sales Tax which have not been deposited as on 31st March 2018 on account of dispute are given below:

Particulars	Financial year to which the matter pertains	Forum where matter is pending	Amount
Sales Tax	2004-05	West Bengal Commercial Taxes Appellate and Revisional Board	295184
Sales Tax	2011-12	West Bengal Commercial Taxes Appellate and Revisional Board	95896

- 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 money by way of initial public offer and further public offer (including debt instrument) during the year. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were applied for the purpose for which the loans 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 of Sec 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, clause (xii) of paragraph 3 of the Order is not applicable.



**wires & fabriks**

- 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 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. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not entered into non-cash transactions with the 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. According to the information and explanation given to us, 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 & Co.**  
Chartered Accountants

Place: Kolkata  
Date: 30th May 2018

**JK Choudhury**  
Partner  
Membership No.: 009367

## **ANNEXURE “B” TO THE 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 to the extent records available with us in Conjunction with our audit of the financial statements of the company as of and for the year ended 31st March 2018.

#### **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 2018, based on the internal control over financial reporting criteria established by the Company.

Place: Kolkata  
Date: 30th May 2018

For, **S. K. Agrawal & Co.**  
Chartered Accountants

**JK Choudhury**  
Partner  
Membership No.: 009367



**wires & fabriks**

**BALANCE SHEET  
AS AT 31<sup>ST</sup> MARCH, 2018**

	Note	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>I. ASSETS</b>							
<b>Non-Current Assets:</b>							
Property, Plant and Equipment	1	53,68,55,182		58,12,24,153		48,57,56,157	
Capital work-in-progress	1	42,64,470		1,37,13,867		16,61,10,707	
Intangible Assets	1	48,12,743		68,42,813		-	
Intangible Assets under development	1	-		-		85,53,517	
<b>Financial Assets:</b>							
Investments	2	-		61,640		69,690	
Loans	3	27,40,900		19,71,400		20,15,400	
Other Financial Assets	4	9,50,000		11,00,000		1,61,00,000	
Other Non Current Assets	5	83,44,619		1,02,45,338		75,46,904	
<b>Total Non Current Assets</b>		<b>55,79,67,914</b>	<b>55,79,67,914</b>	<b>61,51,59,211</b>	<b>61,51,59,211</b>	<b>68,61,52,375</b>	<b>68,61,52,375</b>
<b>Current Assets:</b>							
Inventories	6	19,36,79,776		19,06,72,462		19,15,35,420	
<b>Financial assets</b>							
Trade receivables	7	35,44,39,913		37,99,60,657		40,73,66,131	
Cash and Cash Equivalents	8	2,75,52,815		3,15,88,670		1,20,44,511	
Other Bank Balances	9	14,46,052		1,63,42,955		63,51,083	
Other Financial Assets	10	13,20,244		61,62,190		75,76,428	
Current Tax Assets (Net)	11	10,35,630		30,07,450		16,64,625	
Other Current Assets	12	4,43,35,734		5,00,98,890		7,82,28,334	
<b>Total Current Assets</b>		<b>62,38,10,164</b>	<b>62,38,10,164</b>	<b>67,78,33,274</b>	<b>67,78,33,274</b>	<b>70,47,66,532</b>	<b>70,47,66,532</b>
<b>Total Assets</b>			<b>1,18,17,78,078</b>		<b>1,29,29,92,485</b>		<b>1,39,09,18,907</b>
<b>II. EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Equity Share Capital	13	3,05,62,500		3,05,62,500		3,05,62,500	
Other Equity	14	39,07,08,085	42,12,70,585	38,29,99,263	41,35,61,763	38,87,00,103	41,92,62,603
<b>LIABILITIES</b>							
<b>Non-Current Liabilities:</b>							
<b>Financial Liabilities</b>							
Borrowing	15	29,63,56,250		33,40,00,000		36,98,66,260	
Provision	16	67,90,579		1,80,27,890		1,64,98,839	
Deferred Tax Liabilities (net)	17	3,97,01,319		4,54,27,705		4,28,23,570	
Other Non Current Liabilities	18	3,54,95,478		-		-	
<b>Total Non Current Liabilities</b>		<b>37,83,43,626</b>	<b>37,83,43,626</b>	<b>39,74,55,595</b>	<b>39,74,55,595</b>	<b>42,91,88,669</b>	<b>42,91,88,669</b>
<b>Current Liabilities:</b>							
<b>Financial Liabilities</b>							
Borrowings	19	11,47,88,706		23,07,38,358		18,54,16,075	
Trade Payables	20	10,09,95,784		8,25,17,075		10,82,68,237	
Other Financial Liabilities	21	6,66,88,283		8,43,59,235		16,64,62,558	
Other Current Liabilities	22	5,96,21,943		5,20,63,345		4,67,82,511	
Provisions	23	4,00,69,151		3,22,97,114		3,55,38,254	
<b>Total Current Liabilities</b>		<b>38,21,63,867</b>	<b>38,21,63,867</b>	<b>48,19,75,127</b>	<b>48,19,75,127</b>	<b>54,24,67,635</b>	<b>54,24,67,635</b>
<b>Total Equity and Liabilities</b>			<b>1,18,17,78,078</b>		<b>1,29,29,92,485</b>		<b>1,39,09,18,907</b>
Significant Accounting Policies	Annexed						
Notes to the Financial Statements	1-46						

As per our Report of even date

For and on behalf of the Board

For **S. K. AGRAWAL & CO.**  
Chartered Accountants  
Firm Reg. No. 306033E  
**J. K. CHOUDHURY**  
Partner  
M. No. 009367

**Abhishek Upadhyaya**  
Company Secretary

**Rajesh Patni**  
CFO

**M. Khaitan**  
Managing Director  
DIN : 00459612

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

KOLKATA  
The 30th day of May, 2018

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	Note	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
		Rupees	Rupees	Rupees	Rupees
Revenue From Operations	24		1,04,72,72,518		1,09,20,61,652
Other income	25		15,84,833		51,93,888
<b>Total income</b>			<u>1,04,88,57,351</u>		<u>1,09,72,55,540</u>
<b>Expenses:</b>					
Cost of materials consumed			30,95,73,597		30,18,06,227
Purchase of stock-in-trade			4,34,47,989		5,89,31,179
Changes in inventories of finished goods, work in progress and stock-in-trade	26		-54,91,764		-75,47,229
Employee benefits expense	27		18,66,45,596		18,96,82,906
Finance costs	28		2,51,41,149		3,98,76,817
Depreciation and amortisation expense	29		9,95,48,743		10,06,76,010
Other expense	30		38,82,67,754		41,00,85,880
<b>Total expenses</b>			<u>1,04,71,33,064</u>		<u>1,09,35,11,790</u>
<b>Profit/ (loss) before exceptional items and tax</b>			17,24,287		37,43,750
Exceptional items			-		-
<b>Profit/ (loss) before tax</b>			17,24,287		37,43,750
<b>Tax expense</b>	31				
Current tax			3,28,623		9,50,000
Deferred tax ( Including MAT credit entitlement)			-63,30,356		25,84,264
Earlier year adjustments (net)			-6,68,346		-1,93,405
<b>Profit/ (loss) for the period</b>			83,94,366		4,02,891
<b>Other comprehensive income</b>					
a. (i) Items that will not be reclassified to profit or loss			20,56,100		7,73,031
(ii) Income tax relating to items that will not be reclassified to profit or loss			-5,34,586		-2,55,587
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			-		5,17,444
<b>Total comprehensive income for the period</b>			<u>99,15,880</u>		<u>9,20,335</u>
(comprising Profit / (Loss) and other Comprehensive Income for the period)					
<b>Earnings per equity share</b>	33				
a. Basic			2.75		0.13
b. Diluted			2.75		0.13
Significant Accounting Policies Notes to the Financial Statements	Annexed 1-46				

As per our Report of even date

For and on behalf of the Board

For **S. K. AGRAWAL & CO.**  
Chartered Accountants  
Firm Reg. No. 306033E  
**J. K. CHOUDHURY**  
Partner  
M. No. 009367

**Abhishek Upadhyaya**  
Company Secretary

**Rajesh Patni**  
CFO

**M. Khaitan**  
Managing Director  
DIN : 00459612

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

KOLKATA  
The 30th day of May, 2018



CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before tax and extra ordinary items		17,24,287		37,43,750
<b>ADJUSTMENTS FOR :</b>				
Depreciation and amortisation expenses	10,23,21,265		10,06,76,010	
(Profit) / Loss on sale of assets / Investments	2,76,943		86,441	
Liabilities no longer required written back	-4,53,783		-3,20,621	
Income from Interest	-8,88,838		-45,18,948	
Interest expenses	1,82,85,886		3,23,89,722	
Dividend Received	-	11,95,41,473	142	12,83,12,746
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE:</b>		12,12,65,760		13,20,56,496
<b>ADJUSTMENTS FOR:</b>				
Non Current / Current Financial and other assets Inventories	4,99,49,550		5,86,33,624	
Non Current / Current Financial and other liabilities / provisions	-30,07,314	10,26,91,290	8,62,958	9,08,500
	5,57,49,054		-5,85,88,082	
<b>CASH GENERATED FROM OPERATIONS</b>		22,39,57,050		13,29,64,996
Direct Taxes Paid		86,41,899		-46,83,686
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>		23,25,98,949		12,82,81,310
Extra Ordinary Items		-		-
<b>NET CASH FROM OPERATING ACTIVITIES</b>		23,25,98,949		12,82,81,310
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		-4,74,21,894		-4,23,30,201
Sale of Fixed Assets		6,74,999		2,07,300
Sale of Investment		52,325		-
Interest Received		8,88,838		45,18,948
Dividend Received		-		-142
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		-4,58,05,732		-3,76,04,095
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long Term Borrowings		-5,32,10,010		-7,70,00,000
Proceeds from Short Term Borrowings		-11,59,49,652		4,53,22,283
Interest Paid		-1,94,15,449		-3,29,48,036
Dividend Paid		-22,53,961		-65,07,303
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		-19,08,29,072		-7,11,33,056
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)		-40,35,855		1,95,44,159
Opening cash and cash Equivalents		3,15,88,670		1,20,44,511
Closing cash and cash Equivalents		2,75,52,815		3,15,88,670

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 & CO.  
Chartered Accountants  
Firm Reg. No. 306033E  
J. K. CHOUDHURY  
Partner  
M. No. 009367

Abhishek Upadhyaya  
Company Secretary

Rajesh Patni  
CFO

M. Khaitan  
Managing Director  
DIN : 00459612

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

KOLKATA  
The 30th day of May, 2018

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(in Rupees)

Particulars	Equity Share Capital	Reserves & Surplus				Other Comprehensive Income (OCI)	Total
		Capital Reserve	Securities Premium Account	Retained Earnings	General Reserve		
<b>Balance as on 1st April, 2016</b>	<b>3,05,62,500</b>	<b>9,250</b>	<b>3,05,62,500</b>	<b>29,99,49,675</b>	<b>5,75,00,000</b>	<b>6,78,678</b>	<b>38,87,00,103</b>
Profit for the period				4,02,891			4,02,891
Other comprehensive income for the year						5,17,444	5,17,444
Dividends				55,01,250			55,01,250
Tax on Dividends				11,19,925			11,19,925
<b>Balance as on 31st March, 2017</b>	<b>3,05,62,500</b>	<b>9,250</b>	<b>3,05,62,500</b>	<b>29,37,31,391</b>	<b>5,75,00,000</b>	<b>11,96,122</b>	<b>38,29,99,263</b>
<b>Balance as on 1st April, 2017</b>	<b>3,05,62,500</b>	<b>9,250</b>	<b>3,05,62,500</b>	<b>29,37,31,391</b>	<b>5,75,00,000</b>	<b>11,96,122</b>	<b>38,29,99,263</b>
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
<b>Balance as on 31st March, 2018</b>	<b>3,05,62,500</b>	<b>9,250</b>	<b>3,05,62,500</b>	<b>29,99,18,699</b>	<b>5,75,00,000</b>	<b>27,17,636</b>	<b>39,07,08,085</b>

As per our Report of even date

For and on behalf of the Board

For **S. K. AGRAWAL & CO.**  
Chartered Accountants  
Firm Reg. No. 306033E  
**J. K. CHOUDHURY**  
Partner  
M. No. 009367

**Abhishek Upadhyaya**  
Company Secretary

**Rajesh Patni**  
CFO

**M. Khaitan**  
Managing Director  
DIN : 00459612

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

KOLKATA  
The 30th day of May, 2018

## **SIGNIFICANT ACCOUNTING POLICIES**

**Annexed to and forming part of the financial statements for the year ended 31st March, 2018.**

### **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. STATEMENT OF COMPLIANCE:**

The Significant Accounting Policies applied by the Company in preparation of its Financial Statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening IndAS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS, unless otherwise indicated.

In accordance with the notification issued by the Ministry of Corporate Affairs, the company has adopted Ind AS notified under the Companies Indian Accounting Standard Rules, 2015 with effect from April 1, 2017.

The transition from Previous GAAP to Ind As has been accounted for in accordance with Ind As 101 "First Time Adoption of Indian Accounting Standard" with April 1, 2016 being the transition date.

In accordance with Ind As 101 "First Time Adoption of Indian Accounting Standard" the Company has presented a reconciliation from the presentation of final statements under accounting standards notified under the Companies Accounting Standard Rules, 2006 i.e "Previous GAAP" to Ind As of total equity as at April 1, 2016 and March 31, 2017, total comprehensive income and cash flow for the year ended March 31, 2017.

### **C. 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 IndAS.

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) Up to the year ended March 31, 2017, the Company has prepared its Financial Statements in accordance with the requirement of Indian Generally Accepted Accounting Principal (GAAP), which includes Standards notified under the Companies Act, 2013, read together with paragraph 7 of the Companies (Account) Rules, 2014 and considered as "Previous GAAP".
- d) These Financial Statements are the Company's first IndAS Financial Statements.
- e) 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 are 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 are 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 recognition**

- a) Revenue from sale of goods is measured at fair value of the consideration received / receivable excluding taxes and duties collected on behalf of government. Sales mainly constitute Paper Mills Products, etc and include packing charges and net of discounts & returns in respect of earlier years.
- b) Revenue from the services is recognised on completion of agreed contractual task.

- c) Export Incentives are recognised on post export basis on entitlement rates.
- d) Government grants are recognised on receipt / reasonable ascertainment of ultimate collection thereof.
- e) 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 assets 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 1 : PROPERTY, PLANT & EQUIPMENT

GROSS BLOCK							
DESCRIPTION OF ASSETS	As at 1st April, 2016	Impact on Ind As Transition	Adjustments / Additions / (Deductions)	As at 1st April, 2017	Adjustments / Additions /	Adjustments / (Deductions)	As at 31st March, 2018
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>1.1 Tangible Assets</b>							
Leasehold Land	31,58,205	-31,50,000		8,205	-	-	8,205
Buildings	5,87,38,158	-9,155		5,87,29,003	-	-	5,87,29,003
Plant & Machinery and Electric Installations	1,17,82,91,030	-14,72,613	19,37,00,223	1,37,05,18,640	5,18,51,273	-	1,42,23,69,913
Furniture & Fixtures	1,34,56,971		-25,991	1,34,30,980	2,84,841	4,03,045	1,33,12,776
Office Equipments etc	4,19,91,735		6,25,270	4,26,17,005	21,97,249	6,07,226	4,42,07,028
Vehicles	2,07,68,264		-5,73,308	2,01,94,956	25,37,928	44,45,136	1,82,87,748
Sub Total ( a )	1,31,64,04,363	-46,31,768	19,37,26,194	1,50,54,98,789	5,68,71,291	54,55,407	1,55,69,14,673
<b>1.2 Intangible Assets</b>							
Softwares	3,74,13,935		-1,13,30,360	2,60,83,575	-	-	2,60,83,575
Sub Total ( b )	3,74,13,935	-	-1,13,30,360	2,60,83,575	-	-	2,60,83,575
<b>TOTAL ( a + b )</b>	<b>1,35,38,18,298</b>	<b>-46,31,768</b>	<b>18,23,95,834</b>	<b>1,53,15,82,364</b>	<b>5,68,71,291</b>	<b>54,55,407</b>	<b>1,58,29,98,248</b>

DEPRECIATION							
DESCRIPTION OF ASSETS	Up to 1st April, 2016	Impact on Ind As Transition	Adjustments / Additions / (Deductions)	Up to 1st April, 2017	For the Year	Adjustments / (Deductions)	Upto 31st March, 2018
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>1.1 Tangible Assets</b>							
Leasehold Land	9,73,484	-11,35,380	1,65,872	3,976	82	-	4,058
Buildings	1,55,41,202	-2,556	18,56,790	1,73,95,436	16,00,226	-	1,89,95,662
Plant & Machinery and Electric Installations	75,79,35,320	-1,98,167	9,07,92,892	84,85,30,045	9,35,28,094	-	94,20,58,139
Furniture & Fixtures	85,22,727		8,96,216	94,18,943	7,68,163	2,46,024	99,41,082
Office Equipments etc	3,35,06,880		27,46,797	3,62,53,677	23,78,742	5,72,858	3,80,59,561
Vehicles	1,05,39,414		21,33,145	1,26,72,559	20,15,888	36,87,458	1,10,00,989
Sub Total ( a )	82,70,19,027	-13,36,103	9,85,91,712	92,42,74,636	10,02,91,195	45,06,340	1,02,00,59,491
<b>1.2 Intangible Assets</b>							
Softwares	3,74,13,935	-	-1,81,73,173	1,92,40,762	20,30,070	-	2,12,70,832
Sub Total ( b )	3,74,13,935	-	-1,81,73,173	1,92,40,762	20,30,070	-	2,12,70,832
<b>TOTAL ( a + b )</b>	<b>86,44,32,962</b>	<b>-13,36,103</b>	<b>8,04,18,539</b>	<b>94,35,15,398</b>	<b>10,23,21,265</b>	<b>45,06,340</b>	<b>1,04,13,30,323</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

NET BLOCK			
DESCRIPTION OF ASSETS	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Rupees	Rupees	Rupees
<b>1.1 Tangible Assets</b>			
Leasehold Land	4,147	4,229	4,311
Buildings	3,97,33,341	4,13,33,567	4,31,89,192
Plant & Machinery and Electric Installations	48,03,11,774	52,19,88,595	41,89,14,705
Furniture & Fixtures	33,71,694	40,12,037	49,34,244
Office Equipments etc	61,47,467	63,63,328	84,84,855
Vehicles	72,86,759	75,22,397	1,02,28,850
Sub Total (a)	<u>53,68,55,182</u>	<u>58,12,24,153</u>	<u>48,57,56,157</u>
<b>1.2 Intangible Assets</b>			
Softwares	48,12,743	68,42,813	-
Sub Total (b)	<u>48,12,743</u>	<u>68,42,813</u>	<u>-</u>
<b>TOTAL (a + b)</b>	<u><u>54,16,67,925</u></u>	<u><u>58,80,66,966</u></u>	<u><u>48,57,56,157</u></u>

1.3 Capital Work-in -Progress 42,64,470 1,37,13,867 16,61,10,707  
 1.4 Intangible assets under development - - 85,53,517

1.5 Capital Work-in Progress includes Project & Pre-Operative Expenditure Rs. 8,54,280 (Previous year Rs. 10,64,506), pending allocation.

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Nos.	Rupees	Nos.	Rupees	Nos.	Rupees
<b>NOTE 2 : NON CURRENT INVESTMENTS</b>						
Investments measured at fair value Through OCI						
<b>2.1 In Equity Instruments ( fully paid)</b>						
Indian Overseas Bank	-	-	2,300	61,640	2,300	69,690
( Face value Rs 10 )						
Aggregate amount of quoted investments		-		55,000		55,000
Aggregate market value of quoted investments		-		61,460		69,690
		<u>As at 31st March, 2018</u>		<u>As at 31st March, 2017</u>		<u>As at 1st April, 2016</u>
		Rupees		Rupees		Rupees

### NOTE 3 : LOANS

#### Unsecured and considered good

Security Deposits	27,40,900	19,71,400	20,15,400
	<u>27,40,900</u>	<u>19,71,400</u>	<u>20,15,400</u>
	<u>As at 31st March, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees

### NOTE 4 : OTHER NON CURRENT FINANCIAL ASSETS

#### Other bank balances

Fixed Deposits	9,50,000	11,00,000	1,61,00,000
	<u>9,50,000</u>	<u>11,00,000</u>	<u>1,61,00,000</u>

4.1 Fixed Deposits are pledged with banks as security against term loan/ bank guarantees.

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

	<u>As at 31st March, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees
<b>NOTE 5 : OTHER NON CURRENT ASSETS</b>			
<b>Unsecured and considered good</b>			
Capital Advances	2,80,000	25,53,274	15,95,316
Deposits	1,59,403	1,55,403	1,63,484
Others	79,05,216	75,36,661	57,88,104
	<u>83,44,619</u>	<u>1,02,45,338</u>	<u>75,46,904</u>
5.1	Others Include claims receivable, prepaid expense, etc.		
	<u>As at 31st March, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees
<b>NOTE 6 : INVENTORIES</b>			
Raw Materials	6,78,92,634	7,76,45,238	8,23,80,773
Work-In-Progress	6,07,51,427	4,91,06,377	3,52,14,658
Finished Goods	69,35,917	91,53,573	1,50,03,163
Stock-in-Trade	8,13,646	47,68,073	52,25,170
Stores, Spare and Packing Materials	5,69,12,663	4,96,44,509	5,33,19,161
Scrap	3,73,489	3,54,692	3,92,495
	<u>19,36,79,776</u>	<u>19,06,72,462</u>	<u>19,15,35,420</u>
6.1	The above include materials in transit :		
Raw Materials	69,79,330	1,02,64,409	2,18,30,226
Stock-in-Trade	-	25,76,457	5,42,080
Stores, Spare and Packing Materials	3,02,598	11,46,920	92,21,869
	<u>As at 31st March, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees
<b>NOTE 7 : TRADE RECEIVABLES</b>			
<b>Unsecured and Considered Good</b>			
Trade Receivables	36,47,62,713	38,79,29,039	41,46,65,287
Less: Provision for expected credit loss	1,03,22,800	79,68,382	72,99,156
	<u>35,44,39,913</u>	<u>37,99,60,657</u>	<u>40,73,66,131</u>
	<u>As at 31st March, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees
<b>NOTE 8 : CASH AND CASH EQUIVALENTS</b>			
<b>Cash and Cash Equivalent</b>			
Balances with Banks	2,67,23,477	3,06,61,995	94,99,907
Cheques on Hand	-	-	17,16,633
Cash on Hand	8,29,338	9,26,675	8,27,971
	<u>2,75,52,815</u>	<u>3,15,88,670</u>	<u>1,20,44,511</u>
	<u>As at 31st March, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees
<b>NOTE 9 : OTHER BANK BALANCES</b>			
<b>Other bank balances</b>			
On Fixed Deposits	1,50,000	1,50,00,000	51,22,000
Unpaid Dividend Account	12,96,052	13,42,955	12,29,083
	<u>14,46,052</u>	<u>1,63,42,955</u>	<u>63,51,083</u>
9.1	Fixed Deposits are pledged with banks as security against term loan/ bank guarantees.		

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Rupees	Rupees	Rupees
<b>NOTE 10 : OTHER CURRENT FINANCIAL ASSETS</b>			
<b>Unsecured and Considered Good</b>			
Advances	8,36,190	11,51,668	27,80,411
Interest Accrued but not due	4,84,054	50,10,522	47,96,017
	<u>13,20,244</u>	<u>61,62,190</u>	<u>75,76,428</u>

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Rupees	Rupees	Rupees
<b>NOTE 11 : CURRENT TAX ASSETS ( Net)</b>			
Advance Income Tax ( net of provisions)	10,35,630	30,07,450	16,64,625
	<u>10,35,630</u>	<u>30,07,450</u>	<u>16,64,625</u>

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Rupees	Rupees	Rupees
<b>NOTE 12 : OTHER CURRENT ASSETS</b>			
<b>Unsecured and Considered Good</b>			
Balance with Statutory Authorities	75,79,593	19,14,478	38,20,112
Others	3,67,56,141	4,81,84,412	7,44,08,222
	<u>4,43,35,734</u>	<u>5,00,98,890</u>	<u>7,82,28,334</u>

12.1 Others include advance to suppliers, claims and prepaid expenses.

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>NOTE 13 : EQUITY SHARE CAPITAL</b>						
<b>Authorized :</b>						
25000000 (25000000) Equity Shares of Rs.10/-each	25,00,00,000		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	1,00,00,000	26,00,00,000
		<u>26,00,00,000</u>		<u>26,00,00,000</u>		<u>26,00,00,000</u>
<b>Issued, Subscribed and Fully Paid up :</b>						
3056250 (3056250 ) Equity Shares of Rs.10/-each		3,05,62,500		3,05,62,500		3,05,62,500
		<u>3,05,62,500</u>		<u>3,05,62,500</u>		<u>3,05,62,500</u>

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Nos.	Rupees	Nos.	Rupees	Nos.	Rupees
<b>13.1 Reconciliation of number of Equity Shares outstanding is given below :</b>						
Shares outstanding at the beginning of the year	30,56,250	3,05,62,500	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>	<u>30,56,250</u>	<u>3,05,62,500</u>

### 13.2 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENT

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Nos.	% held	Nos.	% held	Nos.	% held
<b>13.3 Shares held by holding company</b>						
<b>Equity Shares</b>						
W&F Securities Private Limited - Holding Company	19,22,314	62.90%	19,22,314	62.90%	19,22,314	62.90%
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Nos.	% held	Nos.	% held	Nos.	% held
<b>13.4 Details of shareholders holding more than 5% shares</b>						
<b>Equity Shares</b>						
W&F Securities Private Limited	19,22,314	62.90%	19,22,314	62.90%	19,22,314	62.90%
BKM Mercantile Private Limited	3,47,642	11.37%	3,47,642	11.37%	3,47,642	11.37%
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>NOTE 14 : OTHER EQUITY</b>						
<b>Capital Reserve:</b>						
As per last Account		9,250		9,250		9,250
<b>Security Premium Account :</b>						
As per last Account		3,05,62,500		3,05,62,500		3,05,62,500
<b>General Reserve :</b>						
As per last Account		5,75,00,000		5,75,00,000		5,75,00,000
<b>Retained Earnings :</b>						
Balance as per last account	29,37,31,391		29,99,49,675			
Add: Profit for the year (as per Annexed Statement of Profit & Loss )	83,94,366		4,02,891			
	<u>30,21,25,757</u>		<u>30,03,52,566</u>			
<b>Less: Appropriations</b>						
Dividend paid during the year	18,33,750		55,01,250			
Tax on Dividend paid	3,73,308	29,99,18,699	11,19,925	29,37,31,391		29,99,49,675
<b>Other Comprehensive income (OCI)</b>						
Balance as per Last Account	11,96,122		6,78,678			
Equity instruments through OCI	-6,440		-8,050			
Re-measurement of net defined benefit plans	20,62,540		7,81,081			
Income Tax effect	-5,34,586	27,17,636	-2,55,587	11,96,122		6,78,678
		<u>39,07,08,085</u>		<u>38,29,99,263</u>		<u>38,87,00,103</u>
	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>NOTE 15 : BORROWINGS</b>						
<b>Secured</b>						
Term Loans from Banks	34,91,56,250		40,23,66,260		47,93,66,260	
Less: Current Maturities of long term debts	5,28,00,000	29,63,56,250	6,83,66,260	33,40,00,000	10,95,00,000	36,98,66,260
		<u>29,63,56,250</u>		<u>33,40,00,000</u>		<u>36,98,66,260</u>
<b>15.1</b>	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).					
<b>15.2</b>	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).					

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

15.3 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	6,68,00,000	9,59,56,250

	<u>As at 31st March, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees
<b>NOTE 16 : NON CURRENT PROVISIONS</b>			
Provision for Employee's Benefits ( Refer Note 34)	67,90,579	1,80,27,890	1,64,98,839
	<u>67,90,579</u>	<u>1,80,27,890</u>	<u>1,64,98,839</u>

	<u>As at 31st March, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees
<b>NOTE 17 : DEFERRED TAX LIABILITIES (NET)</b>			
<b>Deferred Tax Liability</b>			
Difference between book and tax depreciation	5,18,50,070	6,46,00,195	5,91,68,083
	<u>5,18,50,070</u>	<u>6,46,00,195</u>	<u>5,91,68,083</u>
<b>Deferred Tax Assets</b>			
Disallowances under the Income Tax Act, 1961	57,14,114	1,29,97,092	1,13,54,831
MAT Credit Entitlement	64,34,637	61,75,398	49,89,682
	<u>1,21,48,751</u>	<u>1,91,72,490</u>	<u>1,63,44,513</u>
<b>Net Deferred Tax Liability</b>	<u>3,97,01,319</u>	<u>4,54,27,705</u>	<u>4,28,23,570</u>

	<u>As at 31st March, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees
<b>NOTE 18 : OTHER NON CURRENT LIABILITIES</b>			
Deferred Receivables	3,54,95,478	-	-
	<u>3,54,95,478</u>	<u>-</u>	<u>-</u>

	<u>As at 31st March, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees
<b>NOTE 19 : BORROWINGS - CURRENT</b>			
<b>Secured</b>			
Working Capital Loans from Banks	11,47,88,706	23,07,38,358	18,54,16,075
	<u>11,47,88,706</u>	<u>23,07,38,358</u>	<u>18,54,16,075</u>

19.1 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, 2018</u>	<u>As at 31st March, 2017</u>	<u>As at 1st April, 2016</u>
	Rupees	Rupees	Rupees
<b>NOTE 20 : TRADE PAYABLES</b>			
<b>Trade Payables</b>			
Due to Micro, Small and Medium Enterprises	73,185	1,03,93,148	1,31,39,391
Others	10,09,22,599	7,21,23,927	9,51,28,846
	<u>10,09,95,784</u>	<u>8,25,17,075</u>	<u>10,82,68,237</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

20.1 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 :

	31.03.2018	31.03.2017	01.04.2016
i) Amount due to Micro, Small and Medium Enterprises (MSME) :			
Principal amount	73,185	1,03,93,148	1,31,39,391
Interest due on above and unpaid	Nil	Nil	Nil
ii) Interest paid alongwith principal amount paid beyond appointed day during the year.	Nil	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	Nil
iv) Interest accrued and remaining unpaid	Nil	Nil	Nil
v) Further interest remaining due and payable in the succeeding year.	Nil	Nil	Nil

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Rupees	Rupees	Rupees
<b>NOTE 21 : OTHER CURRENT FINANCIAL LIABILITIES</b>			
Current Maturities of long term debts ( Refer Note 15)	5,28,00,000	6,83,66,260	10,95,00,000
Interest accrued but not due on borrowings	28,91,301	40,20,864	45,79,178
Unclaimed Dividend	12,96,052	13,42,955	12,29,083
Creditors for Capital Goods	97,00,930	1,06,29,156	5,11,54,297
	<u>6,66,88,283</u>	<u>8,43,59,235</u>	<u>16,64,62,558</u>

21.1 Unclaimed Dividend does not include any amount, due and outstanding, to be credited to Investor Education & Protection Fund.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Rupees	Rupees	Rupees
<b>NOTE 22 : OTHER CURRENT LIABILITIES</b>			
Advance from Customers	1,05,07,156	67,53,628	81,99,569
Statutory Dues	1,03,19,912	91,83,904	80,96,072
Other Payables	3,87,94,875	3,61,25,813	3,04,86,870
	<u>5,96,21,943</u>	<u>5,20,63,345</u>	<u>4,67,82,511</u>

22.1 Other payables include liabilities for expenses.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	Rupees	Rupees	Rupees
<b>NOTE 23 : PROVISIONS</b>			
Provision for Employee's Benefits ( Refer Note 34 )	2,29,10,401	1,51,20,430	1,21,87,695
Other Provisions	1,71,58,750	1,71,76,684	2,33,50,559
	<u>4,00,69,151</u>	<u>3,22,97,114</u>	<u>3,55,38,254</u>

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE 24 : REVENUE FROM OPERATIONS</b>				
Sale of Products	1,04,11,30,837		1,08,54,68,453	
Sale of Services	-		8,35,107	
Other operating Revenues	61,41,681	1,04,72,72,518	57,58,092	1,09,20,61,652
		<u>1,04,72,72,518</u>		<u>1,09,20,61,652</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE 25 : OTHER INCOME</b>				
Interest :				
On Fixed Deposits	5,57,131		22,88,144	
From Others	<u>3,31,707</u>	8,88,838	<u>22,30,804</u>	45,18,948
<b>Dividend</b>		-		142
<b>Miscellaneous Income</b>		2,42,212		3,54,177
<b>Liabilities no longer required written back</b>		<u>4,53,783</u>		<u>3,20,621</u>
		<u>15,84,833</u>		<u>51,93,888</u>

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE 26 : CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND STOCK IN TRADE</b>				
<b>Inventories ( at close)</b>				
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
<b>Inventories (at commencement)</b>				
Finished Goods	91,53,573		1,50,03,163	
Stock - in - Trade	47,68,073		52,25,170	
Work in Progress	4,91,06,377		3,52,14,658	
Scrap	<u>3,54,692</u>	6,33,82,715	<u>3,92,495</u>	5,58,35,486
Change in Inventories		<u>-54,91,764</u>		<u>-75,47,229</u>

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Rupees	Rupees	Rupees	Rupees
<b>NOTE 27 : EMPLOYEES BENEFITS EXPENSE</b>				
Salaries and Wages (Refer Note 34 )		17,56,17,856		17,96,67,952
Contribution to Provident and Other funds (Refer Note 34 )		88,37,666		76,74,525
Staff Welfare Expenses		<u>21,90,074</u>		<u>23,40,429</u>
		<u>18,66,45,596</u>		<u>18,96,82,906</u>

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
		Rupees		Rupees
<b>NOTE 28 : FINANCE COSTS</b>				
Interest Expenses		1,82,85,886		3,23,61,867
Other Borrowing costs		68,55,263		75,14,950
		<u>2,51,41,149</u>		<u>3,98,76,817</u>

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
		Rupees		Rupees
<b>NOTE 29 : DEPRECIATION AND AMORTISATION EXPENSES</b>				
Depreciation and Amortisation		9,95,48,743		10,06,76,010
		<u>9,95,48,743</u>		<u>10,06,76,010</u>

29.1 Depreciation and amortisation is net of deferred receivable for the year Rs. 27,72,522 ( Rs. Nil).

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

	<u>For the year ended 31st March, 2018</u>	<u>For the year ended 31st March, 2017</u>
	Rupees	Rupees
<b>NOTE 30 : OTHER EXPENSES</b>		
Consumption of Stores & Spare	3,48,83,329	2,53,89,138
Packing	6,14,22,485	5,28,71,708
Power and Fuel	2,84,31,329	2,64,42,860
Job Charges	3,41,60,272	2,86,03,220
Professional Expenses	3,11,21,880	3,20,86,579
Freight & Forwarding Charges	1,65,85,136	1,63,70,775
Sales Commission	2,39,45,131	2,24,69,001
Rebate on Sales and Compensation	2,88,01,241	2,33,91,204
Excise Duty	1,92,61,126	8,55,31,020
Rent	20,22,261	27,89,135
Rates & Taxes (excluding taxes on Income)	12,44,900	4,02,191
Insurance	38,65,877	36,61,652
Travelling & Conveyance Expenses	4,51,62,420	4,69,73,344
Miscellaneous Expenses	5,70,83,424	4,30,17,612
Loss on Sale of Fixed Assets (net)	2,74,068	86,441
Loss on Sale of Investments	2,875	-
	<u>38,82,67,754</u>	<u>41,00,85,880</u>
<b>30.1 Miscellaneous Expenses includes :</b>		
(a) Fees paid / payable to Auditors.		
i) For Services as Auditors	2,39,500	2,38,876
ii) For Certifications	39,500	39,898
	<u>2,79,000</u>	<u>2,78,774</u>
(b) Foreign exchange fluctuation	47,95,005	-24,67,211
(c) Director's Sitting Fee	8,85,000	7,05,000

### 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

	<u>2017-18</u>	<u>2016-17</u>
Profit Before Tax	17,24,287	37,43,750
Applicable Tax Rate	30.90%	33.06%
Computed Tax Expenses	5,32,805	12,37,684
Additional tax benefits on capital investments, research & development expenses net of expenses disallowed.	15,96,268	32,46,580
Mat Credit and Other Adjustments	-87,99,152	-11,43,405
<b>Net Expenses recognised in the Statement of Profit and Loss</b>	<u>-66,70,079</u>	<u>33,40,859</u>

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

#### 32.1 Contingent Liabilities :

- Guarantees issued by banks for Rs. 20,01,775 (Rs. 47,93,528)
- Letters of Credits issued by banks for Rs Nil (Rs. 18,61,773)
- Claims against the Company not acknowledged as debt Rs. 7,51,819 (Rs. 7,25,659)
- Demands / Claims by various Government Authorities not acknowledge as debt :
  - Sales Tax of Rs. 3,91,080 (Rs. 16,51,225) 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. 13,90,469 (Rs. 39,25,399), advances paid Rs 2,80,000 (Rs. 25,53,274).

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 33 : Earning per Share (EPS)

	2017-18	2016-17
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	83,94,366	4,02,891
c) Basic and Diluted earning per share (Rs.)	2.75	0.13

### NOTE 34 : Employees Benefits Expenses

a) As per the Indian Accounting Standard 19 " Employee benefit" the disclosures as defined are given below :

i) 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

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

	As at 31.03.2018		As at 31.03.2017	
	Gratuity Partly funded	Leave Non funded	Gratuity Partly funded	Leave Non funded
<b>a) Defined Benefit Obligation (DBO)</b>				
<b>Opening balance</b>	<b>1,00,71,445</b>	<b>2,66,70,000</b>	<b>96,54,022</b>	<b>2,20,51,000</b>
Inc-/ (decrease) in scope of consolidation	-	-	-	-
Current service cost	7,13,370	11,74,191	7,57,484	8,40,000
Interest cost	7,08,607	19,53,492	7,69,169	17,22,000
Past service cost	21,73,519	-1,06,21,464	-	-
Actuarial (gains) / losses from financial assumptions	-1,06,636	-1,42,781	30,382	4,27,000
Actuarial (gains) / losses from demographic assumptions	-	-	-	-
Actuarial (gains) / losses from experience adjustments	-19,44,419	38,36,058	-8,08,170	19,18,000
Contributions by plan participants	-	-	-	-
Benefits paid	-8,61,060	-1,83,750	-3,31,442	-2,88,000
Curtailments - (gains)/losses	-	-	-	-
Settlements - (gains)/losses	-	-	-	-
<b>Closing balance</b>	<b>1,07,54,826</b>	<b>2,26,85,746</b>	<b>1,00,71,445</b>	<b>2,66,70,000</b>
<b>b) Fair value of plan assets</b>				
<b>Opening balance</b>	<b>51,12,542</b>	-	<b>45,03,554</b>	-
Inc-/ (decrease) in scope of consolidation	-	-	-	-
Interest income on plan assets	3,65,018	-	3,63,498	-
Contributions by employer	5,68,434	1,83,750	5,73,639	2,88,000
Contributions by plan participants	-	-	-	-
Benefits paid	-8,61,060	-1,83,750	-3,31,442	-2,88,000
Excess / (insufficient) return on plan assets (excluding interest income)	11,485	-	3,293	-
Settlements - gains / (losses)	-	-	-	-
<b>Closing balance</b>	<b>51,96,419</b>	-	<b>51,12,542</b>	-
<b>c) Reimbursement rights</b>				
<b>Opening balance</b>	-	-	-	-
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)	-	-	-	-
<b>Closing balance</b>	-	-	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

	As at 31.03.2018		As at 31.03.2017	
	Gratuity Partly funded	Leave Non funded	Gratuity Partly funded	Leave Non funded
<b>d) Calculation net position</b>				
Actuarial present value of retirement pension commitment (DBO)	1,07,54,826	2,26,85,746	1,00,71,445	2,66,70,000
Fair value of plan assets	51,96,419	-	51,12,542	-
<b>Net funded status - liability/(asset)</b>	<b>55,58,407</b>	<b>2,26,85,746</b>	<b>49,58,903</b>	<b>2,66,70,000</b>
Unrecognized assets	-	-	-	-
Reimbursement rights	-	-	-	-
<b>Net liability / (asset) recognized in BS</b>	<b>55,58,407</b>	<b>2,26,85,746</b>	<b>49,58,903</b>	<b>2,66,70,000</b>
<b>e) In Profit &amp; Loss Statement</b>				
Current service cost	7,13,370	11,74,191	7,57,484	8,40,000
Net interest on net DBO	3,43,589	19,53,492	4,05,671	17,22,000
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)	-	-	-	-
Cost / (return) on reimbursement rights	-	-	-	-
Actual (gains) / Losses	36,93,277	-	23,45,000	-
<b>Employee benefit cost of the period</b>	<b>32,30,478</b>	<b>-38,00,504</b>	<b>11,63,155</b>	<b>49,07,000</b>
Actual return on plan assets	3,76,503	-	3,66,791	-
<b>f) In Other comprehensive income</b>				
Actuarial (gains) / losses	-20,51,055	-	-7,77,788	-
(Excess) / insufficient return on plan assets (excl. interest income)	-11,485	-	-3,293	-
Change in unrecognized assets	-	-	-	-
Revaluation of reimbursement right	-	-	-	-
<b>Expense / (income) recognized in OCI</b>	<b>-20,62,540</b>	<b>-</b>	<b>-7,81,081</b>	<b>-</b>
<b>g) Movements in net liability/(asset)</b>				
Opening balance - Net liability/(asset)	49,58,903	2,66,70,000	51,50,468	2,20,51,000
Mov. in inc-/-(decrease) in scope of consolidation	-	-	-	-
Mov. in benefits paid	-	-	-	-
Mov. in contributions by the employer	-5,68,434	-1,83,750	-5,73,639	-2,88,000
Mov. in contributions by the plan participants	-	-	-	-
Mov. in reimbursement rights	-	-	-	-
Expenses (income) recognized in income statement	32,30,478	38,00,504	11,63,155	49,07,000
Expense (income) recognized in OCI	-20,62,540	-	-7,81,081	-
<b>Net liability/(assets) - Status</b>	<b>55,58,407</b>	<b>2,26,85,746</b>	<b>49,58,903</b>	<b>2,66,70,000</b>
<b>h) Actuarial assumptions</b>				
Discount rate current year (%)	7.50%	7.49%	7.35%	7.35%
Expected rate for salary increases (%)	5.00%	5.00%	5.00%	5.00%
Pension trend (%)	-	-	-	-
Number of insured employees	216	215	227	230
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	66,51,035	-	61,59,932	-
Weighted average duration of the defined benefit plan (in years)	10	6.78	12	4.89

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

	As at 31.03.2018		As at 31.03.2017	
	Gratuity Partly funded	Leave Non funded	Gratuity Partly funded	Leave Non funded
<b>i) Sensitivity</b>				
DBO at 31.3 with discount rate +1%	1,01,06,784	2,17,66,476	93,48,778	2,58,62,839
Corresponding service cost	6,36,059	10,66,112	6,66,747	7,75,786
DBO at 31.3 with discount rate -1%	1,15,19,441	2,37,93,349	1,09,24,516	2,76,19,097
Corresponding service cost	8,08,526	13,07,133	8,69,627	9,18,940
DBO at 31.3 with +1% salary escalation	1,14,18,842	2,38,10,468	1,08,70,435	2,76,32,245
Corresponding service cost	7,99,298	13,09,208	8,64,049	9,20,057
DBO at 31.3 with -1% salary escalation	1,01,83,213	2,17,38,440	93,83,560	2,58,38,865
Corresponding service cost	6,42,719	10,62,852	6,70,086	7,73,925
DBO at 31.3 with +50% withdrawal rate	1,07,91,639	2,27,24,963	1,01,03,631	2,66,97,467
Corresponding service cost	7,17,994	11,78,851	7,61,950	8,42,503
DBO at 31.3 with -50% withdrawal rate	1,07,17,316	2,26,45,837	1,00,38,587	2,66,41,988
Corresponding service cost	7,08,626	11,69,426	7,52,887	8,37,430
DBO at 31.3 with +10% mortality rate	1,07,62,223	2,26,93,254	1,00,78,192	2,66,75,232
Corresponding service cost	7,14,301	11,75,153	7,58,405	8,40,516
DBO at 31.3 with -10% mortality rate	1,07,47,400	2,26,78,206	1,00,64,673	2,66,64,746
Corresponding service cost	7,12,435	11,73,226	7,56,558	8,39,482
<b>j) Major categories of total plan assets</b>				
Cash- & cash equivalents	51,96,419		51,12,542	
thereof non-quoted market price	51,96,419		51,12,542	
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	-		-	
<b>Total</b>	<b>51,96,419</b>		<b>51,12,542</b>	
<b>Annual comparison</b>				
in absolute terms:				
Defined benefit obligation (DBO)	1,07,54,826	2,26,85,746	1,00,71,445	2,66,70,000
Fair value of plan assets	51,96,419	-	51,12,542	-
Asset ceiling	-	-	-	-
<b>Net funded status</b>	<b>55,58,407</b>	<b>2,26,85,746</b>	<b>49,58,903</b>	<b>2,66,70,000</b>

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



## NOTES FORMING PART OF THE FINANCIAL STATEMENT

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

	2017-18 Rupees	2016-17 Rupees
<b>a) Details relating to parties referred to in item 1(a) and 1(b) above</b>		
i) Purchase and receiving of Services	16,80,965	54,50,012
ii) Rent Paid	13,25,178	13,25,178
iii) Donations	20,00,000	20,00,000
iv) Outstanding - Payable ( Net)	Nil	62,03,275
v) Outstanding - Receivable ( Net)	Nil	Nil
vi) Provisions for doubtful debts /amounts written off /written back	Nil	Nil
<b>b) Details relating to parties referred to in item 1 (b) above.</b>		
i) Remuneration	5,72,49,584	4,57,25,845
ii) Outstanding - Payable	Nil	Nil
iii) Provisions for doubtful debts /amounts written off /written back	Nil	Nil
<b>c) Details relating to parties referred to in item 1 © above.</b>		
i) Fee for attending the Board Meetings	1,05,000	90,000
ii) Outstanding - Payable	Nil	Nil
iii) Provisions for doubtful debts /amounts written off /written back	Nil	Nil

**NOTE 36 : Research & Development Expenditure**

Capital Expenditure ( included in Plant & Machinery)	41,930	32,63,518
Revenue Expenditure	2,86,15,676	2,59,03,742

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

	Nil	Nil
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**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 30.05.2018 has proposed Dividend of Rs. 0.60 per equity share for the year ended on 31st March 2018, after the Balance Sheet date. The proposed Dividend on Equity Shares for the year is Rs. 18,33,750 (18,33,750) and dividend distribution tax on proposed dividend is Rs. 3,76,933 (3,73,308)

**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:

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Equity share capital	3,05,62,500	3,05,62,500	3,05,62,500
Other equity	39,07,08,085	38,29,99,263	38,87,00,103
<b>Total Equity (A)</b>	<b>42,12,70,585</b>	<b>41,35,61,763</b>	<b>41,92,62,603</b>
Non current borrowings	29,63,56,250	33,40,00,000	36,98,66,260
Short term borrowings	11,47,88,706	23,07,38,358	18,54,16,075
Current maturities of long term borrowings	5,28,00,000	6,83,66,260	10,95,00,000
<b>Gross Debts (B)</b>	<b>46,39,44,956</b>	<b>63,31,04,618</b>	<b>66,47,82,335</b>
Less: Cash and cash equivalents	2,75,52,815	3,15,88,670	1,20,44,511
Less: Other Bank Balances (excluding balances in unpaid dividend accounts)	11,00,000	1,61,00,000	2,12,22,000
<b>Net Debt (C-B)</b>	<b>43,52,92,141</b>	<b>58,54,15,948</b>	<b>63,15,15,824</b>
<b>Net debt to Equity</b>	<b>1.03</b>	<b>1.42</b>	<b>1.51</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### 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 :

		As at 31st March 2018			
		Carrying Value	Fair Value measurement hierarchy		
			Level 1	Level 2	Level 3
<b>a</b>	<b>Financial Assets</b>				
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			
ii)	At Fair value through other comprehensive income				
	Investments	-			
		<u>38,84,49,924</u>			
<b>b</b>	<b>Financial Liabilities</b>				
i)	At Amortised cost				
	Borrowings	41,11,44,956			
	Trade payables	10,09,95,784			
	Other financial liabilities	6,66,88,283			
		<u>57,88,29,023</u>			
			As at 31.03.2017		
		Carrying Value	Fair Value measurement hierarchy		
			Level 1	Level 2	Level 3
<b>a</b>	<b>Financial Assets</b>				
i)	At Amortised cost				
	Trade receivable	37,99,60,657			
	Cash and bank balances	4,90,31,625			
	Loans	19,71,400			
	Other financial assets	61,62,190			
ii)	At Fair value through other comprehensive income				
	Investments	61,640	61,640		
		<u>43,71,87,512</u>			
<b>b</b>	<b>Financial Liabilities</b>				
i)	At Amortised cost				
	Borrowings	56,47,38,358			
	Trade payables	8,25,17,075			
	Other financial liabilities	8,43,59,235			
		<u>73,16,14,668</u>			
			As at 01.04.2016		
		Carrying Value	Fair Value measurement hierarchy		
			Level 1	Level 2	Level 3
<b>a</b>	<b>Financial Assets</b>				
i)	At Amortised cost				
	Trade receivable	40,73,66,131			
	Cash and bank balances	3,44,95,594			
	Loans	20,15,400			
	Other financial assets	75,76,428			
ii)	At Fair value through other comprehensive income				
	Investments	69,690	69,690		
		<u>45,15,23,243</u>			

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### b Financial Liabilities

i) At Amortised cost	
Borrowings	55,52,82,335
Trade payables	10,82,68,237
Other financial liabilities	16,64,62,558
	<u>83,00,13,130</u>

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

- 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.
- 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).
- 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).
- 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. 36,47,62,713 and Rs. 38,79,29,039 as on as on 31.03.18 and as on 31.03.17 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.

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

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<u>Less than 1 Year</u>			
Borrowings	16,75,88,706	29,91,04,618	29,49,16,075
Trade Payables	10,09,95,784	8,25,17,075	10,82,68,237
Other Financial Liabilities	1,38,88,283	1,59,92,975	5,69,62,558
	<u>28,24,72,773</u>	<u>39,76,14,668</u>	<u>46,01,46,870</u>
<u>More than 1 Year</u>			
Borrowings	29,63,56,250	33,40,00,000	36,98,66,260
	<u>29,63,56,250</u>	<u>33,40,00,000</u>	<u>36,98,66,260</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### NOTE 43 : Approval of Financial Statements

The Financial statements were approved by the Board of Directors on 30th May, 2018.

### NOTE 44 : First time Ind AS Adoptions

**a) Fair value as deemed cost for items of Property, Plant and Equipment**

The Company has elected to treat fair value as deemed cost for all the items of its Property, Plant and Equipment.

**b) Fair valuation for financial assets**

The Company has valued financial assets at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and profit or loss changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

**c) Others**

Loan processing fees under Ind AS are considered as finance cost. The impact for the periods subsequent to the date of transition is reflected in the Statement of Profit and Loss.

**d) Transition to Ind AS - Reconciliations**

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

### 44.1 : Effect of Ind As adoption on the Balance Sheet as at 31st March, 2017 and 1st April, 2016

	As at 31st March, 2017			As at 1st April, 2016		
	Previous GAAP	Effect of Transition to Ind AS	As Per Ind AS	Previous GAAP	Effect of Transition to Ind AS	As Per Ind AS
<b>ASSETS</b>						
<b>Non-Current Assets:</b>						
Property, Plant and Equipment	58,45,19,818	3,29,56,65	58,12,24,153	48,93,85,336	36,29,179	48,57,56,157
Capital work-in-progress	1,37,13,867		1,37,13,867	16,61,10,707		16,61,10,707
Intangible Assets	68,42,813		68,42,813	-		-
Intangible Assets under development	-		-	85,53,517		85,53,517
<b>Financial Assets:</b>						
Investments	55,200	-6,440	61,640	55,200	-14,490	69,690
Loans	19,71,400		19,71,400	20,15,400		20,15,400
Other Financial Assets	11,00,000		11,00,000	1,61,00,000		1,61,00,000
Other Non Current Assets	75,77,201	-26,68,137	1,02,45,338	44,41,349	-31,05,555	75,46,904
<b>Total Non current assets</b>	<b>61,57,80,299</b>	<b>6,21,088</b>	<b>61,51,59,211</b>	<b>68,66,61,509</b>	<b>5,09,134</b>	<b>68,61,52,375</b>
<b>Current Assets:</b>						
Inventories	19,06,72,462		19,06,72,462	19,15,35,420		19,15,35,420
<b>Financial assets</b>						
Trade receivables	37,99,60,657		37,99,60,657	40,73,66,131		40,73,66,131
Cash and Cash Equivalents	3,15,88,670		3,15,88,670	1,20,44,511		1,20,44,511
Other bank balances	1,63,42,955		1,63,42,955	63,51,083		63,51,083
Other Financial Assets	61,62,190		61,62,190	75,76,428		75,76,428
Current Tax Assets (Net)	30,07,450		30,07,450	16,64,625		16,64,625
Other Current Assets	4,96,61,472	-4,37,418	5,00,98,890	7,77,98,064	-4,30,270	7,82,28,334
<b>Total Current Assets</b>	<b>67,73,95,856</b>	<b>-4,37,418</b>	<b>67,78,33,274</b>	<b>70,43,36,262</b>	<b>-4,30,270</b>	<b>70,47,66,532</b>
<b>Total Assets</b>	<b>1,29,31,76,155</b>	<b>1,83,670</b>	<b>1,29,29,92,485</b>	<b>1,39,09,97,771</b>	<b>78,864</b>	<b>1,39,09,18,907</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

	As at 31st March, 2017			As at 1st April, 2016		
	Previous GAAP	Effect of Transition to Ind AS	As Per Ind AS	Previous GAAP	Effect of Transition to Ind AS	As Per Ind AS
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Equity share capital	3,05,62,500		3,05,62,500	3,05,62,500		3,05,62,500
Other equity	38,31,22,206	1,22,943	38,29,99,263	38,87,52,891	52,788	38,87,00,103
<b>LIABILITIES</b>						
<b>Non-current liabilities:</b>						
<b>Financial liabilities</b>						
Borrowing	33,40,00,000		33,40,00,000	36,98,66,260		36,98,66,260
Provision	1,80,27,890		1,80,27,890	1,64,98,839		1,64,98,839
Deferred tax liabilities (net)	4,54,88,432	60,727	4,54,27,705	4,28,49,646	26,076	4,28,23,570
Other non current liabilities	-		-	-		-
<b>Total Non Current Liabilities</b>	<b>39,75,16,322</b>	<b>60,727</b>	<b>39,74,55,595</b>	<b>42,92,14,745</b>	<b>26,076</b>	<b>42,91,88,669</b>
<b>Current liabilities:</b>						
<b>Financial liabilities</b>						
Short term borrowings	23,07,38,358		23,07,38,358	18,54,16,075		18,54,16,075
Trade payables	8,25,17,075		8,25,17,075	10,82,68,237		10,82,68,237
Other financial liabilities	8,43,59,235		8,43,59,235	16,64,62,558		16,64,62,558
Other current liabilities	5,20,63,345		5,20,63,345	4,67,82,511		4,67,82,511
Provisions	3,22,97,114		3,22,97,114	3,55,38,254		3,55,38,254
<b>Total current liabilities</b>	<b>48,19,75,127</b>	<b>-</b>	<b>48,19,75,127</b>	<b>54,24,67,635</b>	<b>-</b>	<b>54,24,67,635</b>
<b>Total Equity and Liabilities</b>	<b>1,29,31,76,155</b>	<b>1,83,670</b>	<b>1,29,29,92,485</b>	<b>1,39,09,97,771</b>	<b>78,864</b>	<b>1,39,09,18,907</b>
<b>44.2 Reconciliation of Profit and other equity between Ind AS and previous GAAP</b>						
Particulars				Net Profit for the Year ended 31.03.2017	Other Equity As at 31.03.2017	Other Equity As at 01.04.2016
<b>Net Profit / Other Equity as per previous GAAP</b>				<b>9,90,490</b>	<b>38,31,22,206</b>	<b>38,87,52,891</b>
Re-measurement of the net defined benefit plans				7,81,081		
Fair valuation of property, plant and equipment				-3,33,513		
Fair valuation of financial assets				2,64,481	8,050	-14,490
Deferred Tax				-2,90,240	-34,653	-26,075
Others				1,65,790	1,49,546	93,353
Total				5,87,599	1,22,943	52,788
Net profit before OCI / Other Equity as per Ind As				<b>4,02,891</b>	<b>38,29,99,263</b>	<b>38,87,00,103</b>
<b>44.3 Effect of Ind As adoption on the Statement of Profit and Loss for the year ended on 31.03.2017</b>						
Particulars				Previous GAAP	Effect of Transition to Ind AS	As Per Ind AS
<b>INCOME</b>						
Revenue from operations				1,09,20,61,652	-	1,09,20,61,652
Other income				51,93,888	-	51,93,888
<b>Total Income</b>				<b>1,09,72,55,540</b>	<b>-</b>	<b>1,09,72,55,540</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

### Expenses:

Cost of materials consumed	30,18,06,227	-	30,18,06,227
Purchase of stock-in-trade	5,89,31,179	-	5,89,31,179
Changes in inventories of finished goods, work in progress and stock-in-trade	-75,47,229	-	-75,47,229
Employee benefits expense	18,89,01,825	7,81,081	18,96,82,906
Finance costs	3,96,12,336	2,64,481	3,98,76,817
Depreciation and amortisation expense	10,10,09,523	-3,33,513	10,06,76,010
Other expense	40,99,20,090	1,65,790	41,00,85,880
<b>Total expenses</b>	<b>1,09,26,33,951</b>	<b>8,77,839</b>	<b>1,09,35,11,790</b>
<b>Profit/ (loss) before tax</b>	<b>46,21,589</b>	<b>-8,77,839</b>	<b>37,43,750</b>
<b>Tax expense</b>			
Current tax	7,56,595		7,56,595
Deferred tax	28,74,504	-2,90,240	25,84,264
	36,31,099	-2,90,240	33,40,859
<b>Profit/ (loss) for the period</b>	<b>9,90,490</b>	<b>-5,87,599</b>	<b>4,02,891</b>
<b>Other comprehensive income</b>			
a (i) Items that will not be reclassified to profit or loss			
Equity instruments through OCI		-8,050	-8,050
Remeasurement of the net defined benefit plans		7,81,081	7,81,081
(ii) Income tax relating to items that will not be reclassified to profit or loss		-2,55,587	-2,55,587
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		-	-
	5,17,444	5,17,444	
<b>Total comprehensive income for the year</b>	<b>9,90,490</b>	<b>-70,155</b>	<b>9,20,335</b>

**NOTE 45 :** Previous years figures have been rearranged and regrouped wherever applicable and considered necessary

**NOTE 46 :** Figures in brackets represent figures for the previous year.

As per our Report of even date

For and on behalf of the Board

KOLKATA  
The 30th day of May, 2018

For **S. K. AGRAWAL & CO.**  
Chartered Accountants  
Firm Reg. No. 306033E  
**J. K. CHOUDHURY**  
Partner  
M. No. 009367

**Abhishek Upadhyaya**  
Company Secretary

**Rajesh Patni**  
CFO

**M. Khaitan**  
Managing Director  
DIN : 00459612

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



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

**7, CHITTARANJAN AVENUE, KOLKATA - 700 072**