



Shalimar

Wires Industries Limited

**17TH ANNUAL REPORT
2012-2013**

Our beloved Founder Chairman



Sri S. N. Khaitan
(1922 - 1999)

*He continues to guide us towards Excellence
through Latest Technology, Customer
Satisfaction and Exports.*

He lives in the hearts of tomorrow.

Board of Directors

Chairman & Managing Director

SUNIL KHAITAN

Directors

MANASH CHAKRABORTY (Nominee Director representing ARCIL)

DEVJANI MANDAL (Nominee Director representing IDBI)

DIPAK DASGUPTA

DIPAK RUDRA

PROBIR ROY

Executives

R. P. DHANUKA – Sr. President

D. KHAITAN – President - Paper Machine Wire Unit
(Nasik)

S. J. SENGUPTA – Sr. VP & CFO

S. K. KEJRIWAL – Company Secretary

Solicitors

Khaitan & Co.

Jhunjhunwala & Co.

Chaubey & Co.

Auditors

S. S. Kothari & Co.

G. P. Agrawal & Co.

Bankers

State Bank of India

HDFC Bank Ltd.

Registered and Head Office

25, Ganesh Chandra Avenue

Kolkata - 700 013

SHALIMAR WIRES INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the members of Shalimar Wires Industries Limited will be held at Science City Mini Auditorium, J.B.S. Haldane Avenue, Kolkata - 700 046, on Monday, the 23rd September, 2013 at 10.00 A.M. to transact the following business :

1. To consider and adopt the Profit & Loss Account of the Company for the financial year ended 31st March 2013 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To elect a Director in place of Mr. Dipak Dasgupta who retires by rotation and being eligible, offers himself for re-election.
3. To elect a Director in place of Mr. Dipak Rudra who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors and to fix their remuneration and in this connection to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of section 224A and other applicable provisions, if any, of the Companies Act 1956, Messrs S.S.Kothari & Co., Chartered Accountants, Kolkata, the retiring Auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors of the Company.

Registered Office:
25, Ganesh Chandra Avenue
Kolkata - 700 013
The 6th August, 2013

By Order of the Board

S. K. Kejriwal
Company Secretary

NOTES

1. A Member is entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company. The instrument appointing a proxy must be deposited at the Registered Office of Company not less than 48 hours before the time for holding of the Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20.09.2013 to 23.09.2013 (both days inclusive).
3. Members/proxy holders are requested to bring the attendance slip duly filled in for attending the meeting. For shares held in dematerialised form, the DP ID and Client ID numbers should be indicated in the attendance slip.
4. Members are requested to notify any change in their address to the Company or its share transfer agent M/s. Maheshwari Datamatics Pvt. Ltd., 6 Mangoe Lane, Kolkata - 700 001 and in case shares are held in dematerialised form, this information should be passed on to their respective Depository participants without any delay.
5. Under the provisions of the Companies Act, 1956 (as amended with effect from 31st October, 1998) shareholders may file nomination forms in respect of their shareholdings. Any shareholder willing to avail of this facility may submit to the Company at its Registered Office the prescribed Form 2B duly filled in.
6. In all correspondences with the Company, members are requested to quote their Account/Folio numbers and in case their shares are held in dematerialised form, they must quote their client ID number and their DP ID number.

7. The Ministry of Corporate Affairs (MCA) vide their Circulars No.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 have taken "Green Initiative" in the Corporate Governance. Accordingly, should you going forward desire to receive documents including Annual Report, electronically, please register your e-mail id either with the Company or its Registrar and Share Transfer Agent, M/s. Maheshwari Datamatices Pvt. Ltd., by post or e-mail. Members holding shares in electronic form are requested to register their e-mail id (if not already done) with Depository Participants they are dealing with. Nevertheless in compliance of requirements of aforesaid MCA Circulars, Annual Report and other documents will also be displayed on Company's web-site i.e. www.shalimarwires.com
8. Members who are holding 14% Partly Convertible Debentures of Rs.30/- each and have not yet surrendered their debentures certificate (s) are requested to surrender the same to the company at its Registered Office at 25, Ganesh Chandra Avenue, Kolkata- 700 013.
9. The Company has received a Notice dated 20th May, 2013 from M/s. G.P. Agrawal & Co., Chartered Accountants, Kolkata, who has expressed their unwillingness to be re-appointed.
10. As per requirement of Clause 49 VI (A) of the Listing Agreement with Stock Exchanges, the particulars relating to Directors proposed to be appointed/reappointed are given below :

Name of Directors	Mr. Dipak Dasgupta	Mr. Dipak Rudra
Date of Birth	05.08.1937	23.08.1940
Date of Appointment/ Reappointment	27.07.2002	21.07.2005
Expertise in specific functional area	<p>Mr. Dipak Dasgupta is a specialist in Corporate Strategy and Restructuring. He has to his credit turning round many Units and streamlining the same.</p> <p>During the last three decades he has series of success stories, which has been appreciated at the highest level in the Organisation that he has worked with.</p> <p>Mr. Dasgupta is well known for his expertise in HRM and Corporate Relations and has been closely associated with Chambers of Commerce and CII. He is the Chairman of Core Committee on HR.</p> <p>Mr. Dasgupta is well known for man management and leadership qualities and chairs regularly Seminars on management.</p> <p>Mr. Dasgupta has been successful in signing series of important agreements with full emphasis on change of work culture and productivity. His overall track record is excellent which is widely acclaimed by all concerned.</p> <p>Mr. Dasgupta is also a well known sportsman having represented Ranji Trophy Cricket for several years and played against Australia and West Indies. He is the President of West Bengal Sports Federation and closely associated with Cricket Association of Bengal.</p>	<p>A Retd. IAS officer of W.B. Cadre, he has had several challenging assignments during his career. He was the Dist. Magistrate of Howrah & Darjeeling. Besides holding the position of Secretary/ Commissioner of several Deptts of the West Bengal Govt., he was Special Assistant to the Union Commerce Minister and Resident Director (West Europe) of the Trade Development Authority, Govt. of India, in Frankfurt, Germany. He was also the Chairman & Managing Director of UCO Bank under the Ministry of Finance, Govt. of India. After retirement as Addl. Chief Secy., Govt of West Bengal, he was Banking ombudsman, Reserve Bank of India, Kolkata for West Bengal & Sikkim. He was also appointed Chairman, Co operative Service Commission, Govt. of West Bengal.</p>

SHALIMAR WIRES INDUSTRIES LIMITED

Qualification	B. Com, MBA	Retd. IAS
List of outside directorship	(1) Rainbow Productions Ltd. (2) Shalimar Industries Ltd. (3) Satya Sons Services Ltd. (4) Satmaco Merchandise Pvt. Ltd. (5) Keystone Marketing India (P) Ltd.	(1) GTFS Multi Services Ltd. (2) India Power Corpn. Ltd. (3) Guinness Securities Ltd. (4) GTFS Training Services Ltd. (5) Adams Elevator Company Private Ltd. (6) Jagaran Microfin Pvt. Ltd. (7) Abira Securities Ltd.
Chairman/member of the Committee of the Board of Directors of the Company	Member Audit Committee Investors' Grievance Committee	Member Audit Committee Remuneration Committee Investors' Grievance Committee
No. of equity shares held in the Company	NIL	NIL

Registered Office:
25, Ganesh Chandra Avenue
Kolkata - 700 013
The 6th August, 2013

By Order of the Board

S. K. Kejriwal
Company Secretary

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting the 17th Annual Report on the working of the Company together with the audited accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

The financial results of the Company as prescribed in the said Accounts are summarised below :

	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
Revenue from Operations (Net)	9249.79	8648.19
Other Income	129.19	126.45
Total Revenue	9378.98	8774.64
Less : Total Expenses	7415.42	6693.90
Profit before Finance Cost and Depreciation	1963.56	2080.74
Less : Finance Cost	319.07	335.41
Depreciation and Amortization Expense	651.40	533.16
Profit before Tax	993.09	1212.17
Less : Deferred Tax	—	(95.71)
Profit for the year from continuing operation	993.09	1307.88
Profit/(Loss) from discontinuing operation	(85.78)	(112.79)
Profit for the year	907.30	1195.09

OPERATIONAL REVIEW

During the year under review, the total revenue of the company was Rs.9378.98 lacs as compared to Rs. 8774.64 lacs in the previous year. The operating surplus (profit before finance cost and depreciation) of the Company was Rs. 1963.56 lacs as compared to Rs. 2080.74 lacs in the previous year. The Company has incurred loss of Rs. 85.78 lacs from its discontinuing operation as against loss of Rs. 112.79 lacs in the previous year. The net profit during the year was Rs. 907.30 lacs as compared to Rs.1195.09 lacs in the previous year.

REHABILITATION SCHEME

As you are aware, the Rehabilitation Scheme of the company, under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985, was sanctioned by Hon'ble Board of Industrial & Financial Reconstruction (BIFR) vide its order dated June 10, 2010. In terms of the scheme, promoters/their associates have brought in Rs. 500 lacs in the form of equity and the company has issued 2,50,00,000 equity shares of Rs. 2/- each to the promoters/their associates amounting to Rs. 500 lacs. The company has also issued 59,50,000 equity shares to Asset Reconstruction Company (India) Ltd (ARCIL) by conversion of remaining principal into equity and issuing zero coupon convertible debentures by converting outstanding interest as per the scheme. The company is in the process of filing Modified Draft Rehabilitation Scheme with BIFR and is hopeful that performance of the company will further improve in the coming years once the Modified Rehabilitation Scheme is approved and implemented.

DIVIDEND

Due to inadequate profit, your Directors are unable to recommend payment of any dividend on Equity Shares for the year under review.

EXPORT

The Company's export turnover has increased by 16% during the year under review i.e. Rs. 2194.56 lacs as compared to Rs.1882.44 lacs in the previous year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed and no material departures have been made from the same, save and except as mentioned in the Auditor's Report.
- ii) They have adopted such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period;
- iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, for preventing and detecting fraud and other irregularities;
- iv) They have prepared the annual accounts on a going concern basis.

TRANSFER TO INVESTORS' EDUCATION AND PROTECTION FUND

In terms of sections 205A and 205C of the Companies Act, 1956 read with General Circular No. 22/2002 dated 23rd September, 2002 issued by the Department of Company Affairs, the Company could not deposit unclaimed and unpaid redemption amount of debentures and accrued interest thereon to Investors' Education and Protection Fund and had filed necessary application with the BIFR seeking relief u/s 22(3) of SICA and also their approval to make the payment to public debenture holders as and when debentures certificates are surrendered to the Company. The BIFR has approved the same in terms of the Rehabilitation Scheme sanctioned by them vide order dated 10th June, 2010. The Company is making payment to the debenture holders under public category as and when the debenture certificates are surrendered with the company.

CONSERVATION OF ENERGY

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

DEPOSITS

The Company has not accepted any public deposit since its inception.

DIRECTORS

The nomination of Mr Buddhadeb Dasgupta as Nominee Director of the company was withdrawn by IDBI Bank Limited (IDBI) w.e.f. 29th June, 2013 and Mrs. Devjani Mandal was appointed as Nominee Director of the Company in his place w.e.f. 29th June, 2013. Mr. P.K. Sarkar has resigned and ceased to be the Director of the Company w.e.f. 8th May, 2013.

The Board places on record its deep appreciation of the valuable services rendered by Mr Buddhadeb Dasgupta and Mr. P.K. Sarkar during their tenure as Directors of the company.

Mr. Dipak Dasgupta and Mr Dipak Rudra retire from the Board pursuant to section 255 of the Companies Act, 1956 read with Article 143 of Articles of Association of the Company and being eligible offer themselves for reappointment.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchanges, Management Discussion & Analysis and Corporate Governance Report have been annexed to the Directors' Report and forms part of this report.

COMPLIANCE CERTIFICATE

A certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement is also attached to this report.

STATUTORY AUDITORS

Messrs S.S.Kothari & Co., Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible have expressed their willingness to be re-appointed.

Messrs G.P. Agrawal & Co., Chartered accountants, Auditors of the Company has given notice in writing of their unwillingness to be reappointed.

AUDITORS' REPORT

The comments made by the Auditors in their report and other relevant points in Annexure to their report are self-explanatory. The relevant notes to the accounts also clarify the points referred to by the Auditors and hence need no further clarification/explanation.

COST AUDITORS

Your Company has reappointed Mesers Mitra Bose & Associates, Cost Accountants, as the Cost Auditor of the Company for audit of the cost records maintained by the Company for the Financial Year 2013-2014.

PARTICULARS OF EMPLOYEES

There was no employee in receipt of remuneration of Rs. 60 lacs or more in the current financial year or Rs. 5,00,000/- or more per month within the meaning of Section 217(2A) of the Companies Act,1956.

INDUSTRIAL RELATIONS

The Company continued to have cordial relations with the employees at its plants located at Uttarpara and Paper Machine Wire unit at Nasik, Registered Office and Branch Offices and the Board records its appreciation for the useful contribution made by them.

ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation for the support and cooperation extended by the lenders i.e. Financial Institutions and Banks, customers, suppliers, employees, investors and Government Authorities during the year.

Registered Office :
25, Ganesh Chandra Avenue
Kolkata - 700 013
The 6th August, 2013

For and on behalf of the Board

Sunil Khaitan
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Conservation of Energy Technology Absorption & Foreign Exchange Earnings and Outgo.
In accordance with the Companies (Disclosure of Particulars
in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY**a) Energy Conservation measures taken :**

At Uttarpara

1. Air Condition control in Taiwan plant through PLC Logic.
(Expected to be completed in October'13)
2. Accurate control of temperature in DVF 1 Furnace through PLC Logic control thus saving energy which was getting wasted due to less effective control method in every heat cycle.
(Completed in June'13)

b) Investments and proposals being implemented for reduction of consumption of energy :

No major investment proposal is planned at the moment.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Overall reduction in energy consumption has been achieved.

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**POWER AND FUEL CONSUMPTION**

(Uttarpara Unit)

1. Electricity	Current Year	Previous Year
(a) Purchased		
Unit	4,192,760	4,031,476
Total Amount	31,734,241	26,172,785
Rate/unit	Rs. 7.57	Rs.6.49
(b) Own generation		
(i) Through diesel generator -		
Unit	19,288	8,600
Units per ltr.of diesel oil	2.14	1.72
Cost/unit	Rs.24.24	Rs.38.71
(ii) Through steam turbine/generator -		
Units	Nil	Nil
Units per ltr.of fuel oil/gas		
Cost/units		
2. Coal		
Quantity (Tonnes)	Nil	Nil
Total Cost		
Average rate		
3. Furnace Oil		
Qty.(K.ltrs.)	Nil	Nil
Total Amount		
Average rate		

4. Others(Rice Husk)

Quantity
Total Cost
Rate/unit

Current Year	Previous Year
Nil	Nil

B. TECHNOLOGY ABSORPTION**Research & Development (R&D)****1. Specific areas in which R & D carried out by the Company in Paper Machine Clothing Area.****Wire Weaving :**

Upgradation of one loom from shuttle picking system to Band Rapier system for higher productivity and better quality of wire cloth.

Synthetic :

1. Launching of SSB (kraft variety) fabric in the market.
2. New Design development in SSB (writing/printing) for highly abrasive paper machines.
3. Plan for upgradation of 4 old looms in synthetic weaving process initiated.
4. Upgradation of Electrical control system of one HP 200 Loom.

2. Benefits derived as a result of above effort -

1. With the development of 2 new SSB designs, we are able to meet the market demand.
2. With the upgradation of the Looms in Synthetic Weaving, the productivity and quality of the Fabric produced will improve substantially.

3. Future Plan of Action

To continue modification of Plant & Machinery, Product Development and increase productivity.

4. Expenditure on R & D

Rs. 3.41 Lacs.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**1. Efforts in brief towards technology absorption, adaptation and innovation.**

A cross functional team has been created within the factory who have been entrusted to upgrade the technological aspects of various products produced at Uttarpara.

2. Benefits derived as a result of the above efforts.

The above efforts have enabled the Company to upgrade its technology and produce better Quality of products to match international standards.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in lacs)

Total foreign exchange used and earned

Foreign exchange earned	2,194.56
Foreign exchange used	3,107.15

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Paper Machine Clothings (PMC)

PMC Industries are solely dependent on the Paper making activities. Paper making industries are growing on a verge of 7% p.a. for the last 7 years. Our per-capita paper consumption is only 7.0 Kgs. as against world's average of 56.0 Kgs., indicating great potentiality for growth at home. Beside, the real growth in Paper making activity is taking place in Asian region. This is now can be called a sunrise Industry for the Asians. Therefore, being stationed in the developing region and with sufficient knowledge about Paper making condition of Asian sub-continent, we see a great future in export potentiality for PMC products. Including substantial new growth in packaging Industries & in tissue paper Industries. We are also in the process of developing new PMC products to fetch more business from domestic & export matter. India is still dependent on lot of specialised clothing from import & there is immense scope of developing these products in India. With Rupees fluctuating on lower side domestic produce are having an opportunities to capture the import market.

EDM Wires

Use of EDM machines in Tool Room Industry is gaining popularity all over the world. The situation has become challenging to the EDM wire makers with the invention of developed EDM machines and it has increased demand of specialty EDM wires happily, which are the major product of Uttarpara Plant. Similar situation prevails all the over the world and with our reputation in export market with our Patented products especially to the developed countries, we see a bright future for this product. A new product DYNA "XT" is specially being developed to fetch more business from the export market as well as home market.

OPPORTUNITIES AND THREATS

Paper Machine Clothings (PMC)

After a bad spell, the paper industry both at home and abroad has started doing well and as a result the PMC industries are also looking forward for brighter days. At this stage in the home market when our Company is all set for a better business, a great threat is foreseen from Overseas PMC suppliers who have started dumping their products in Indian Paper Mills at a price lower than Indian suppliers, which may drastically reduce the NSR of our products as well as the off-take. Further, PMC suppliers from developed countries have started supplying their latest patented design to large paper mills in India. This becomes biggest threat to the Company. Unless we upgrade our Plant & Machinery and continuously develop our product it will be extremely difficult to sustain our market share and further enhance it.

EDM WIRES

Threat from imported material in Indian market is seriously felt although the specialty products of Shalimar are ruling the home market. In the export front, the market in the developed countries is very large and if quality of the product is maintained consistently the product has a very bright future. We have already obtained Industrial Patent for one of our specialty products while some varieties are waiting for approval. And with increase of price of NF metal, competition has become stiffer. But, we are confident with constant improvement in process, Shalimar would be able to take up the challenge.

OUTLOOK

The outlook of Company appears bright. The Company anticipates modest growth in its operations in coming years and have taken steps to improve further in following areas :-

- Maintain high Quality Standards consistently.
- Create wide based product range to cater to export market.
- Modernize after-sales service.
- Improve efficiency at all states from procurement to disposal.
- Upgrading the Old machinery.
- Develop new design of fabric.

RISKS AND CONCERNS

Volatile technological environment and tough competition from domestic as well as foreign markets are area of concern for which Company's focus is to make cost of production more competitive and reduce interest cost by financial restructuring with a view to withstand during downturn. Main area of concern are as under :

- Growth of Indian Paper Industry is yet to be satisfactory.
- Improved technology is expensive.

INTERNAL CONTROL SYSTEM

The Company has adopted internal control system commensurate with its size. The Company has appointed external firm of Chartered Accountants as Internal Auditors and Company ensures its strict implementation so that assets and business interest of Company are adequately safeguarded. However, SAP implementation is also in progress.

HUMAN RESOURCES

The Company's human resources strategy revolves around development of the individual. The Company undertook various Human Resources Initiative, namely -

- A Performance Management System.
- Training Programmes in the area of behavioural, management and technical skill up-gradation.

INFORMATION TECHNOLOGY

The Company is making full use of Information Technology, all the branches and the regional offices of the Company are connected with the units by means of internet. The Company's website namely www.shalimarwires.com provide all the details about the Company, its management and its products. SAP is also being implemented.

CAUTIONARY STATEMENT

Statement in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, protections, estimates and expectations may constitute forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either.

CORPORATE GOVERNANCE REPORT

1. Brief Statement on Company's Philosophy on Code of Governance

- The Company's philosophy of Corporate Governance is to ensure transparency in all dealings and maintain highest standards of professionalism, integrity, accountability, social responsibility, fairness and business ethics. We consider ourselves as Trustees of our shareholders and relentlessly attempt to maximize long term shareholder value.
- Your Directors confirm the practice of good Corporate Governance codes by the Company in true spirit and are pleased to present below the Report on Corporate Governance.

2. Board of Directors

The Board of Directors of the company is presently having six directors. The Chairman & Managing Director of the Company is the only Executive Director. The other directors including two nominee directors are non-executive directors.

During the financial year ended 31st March, 2013, four Board Meetings were held on 12.05.2012, 14.08.2012, 10.11.2012 and 05.02.2013.

The composition of Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also other directorships and Committee Memberships are given below :

Name of Director	Category	No. of Board Meetings Attended during the year	Whether last AGM attended	No. of other Directorship	No. of other Committee membership/ Chairmanship
Mr. Sunil Khaitan, Chairman & Managing Director	Executive	4	Yes	2	NIL
Mr. Manash Chakraborty	Nominee of ARCIL	4	No	1	1
Mr. B. Dasgupta *	Nominee of IDBI	3	No	NIL	NIL
Mr. P. K. Sarkar **	Independent	4	No	9	1
Mr. Probir Roy	Independent	4	No	3	NIL
Mr. Dipak Rudra, IAS(Retd)	Independent	4	Yes	7	4
Mr. Dipak Dasgupta	Independent	4	Yes	5	NIL

* Nomination of Mr. B. Dasgupta was withdrawn by IDBI Bank Ltd. w.e.f. 29th June, 2013 and in his place Mrs. Devjani Mandal was appointed as Nominee Director of IDBI Bank Ltd. w.e.f. 29th June, 2013.

** Mr. P.K. Sarkar has resigned from the board of directors of the Company w.e.f. 8th May, 2013.

None of the Directors of the Company's Board is a member of more than 10 Committees or Chairman of more than 5 Committees (committees being Audit Committee, Remuneration Committee and Shareholders Grievance Committee) across all the Companies in which he is Director and neither of them holds office of Director in more than 15 Public Limited Companies. All Independent Directors are liable to retire by rotation.

Code of Conduct for Directors & Senior Management

The Board had framed a code of conduct for all Board members and senior management personnel of the Company focusing transparency, accountability & ethical expression in all acts and deeds. A certificate of affirmation in this regard is appended.

3. COMMITTEE OF THE BOARD

Your Company's Board has three Sub Committees

- o Audit Committee
- o Remuneration Committee
- o Share Transfer/Investors' Grievance Committee

A. Audit Committee

The Audit Committee of the Company, inter alia, provides assurance to the Board on the adequacy of the internal control systems, financial disclosures and ensures that generally accepted accounting principles are observed by the Company. They also provide guidance and liaise with the Internal Auditors as well as the Statutory Auditors of the Company.

The Terms of Reference of the Audit Committee are in accordance with those specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956

During the financial year ended 31st March, 2013, four meetings of the Audit Committee were held on 12.05.2012, 14.08.2012, 10.11.2012 and 05.02.2013.

The present composition of the Audit Committee comprises four members, all being independent directors. The details of meetings attended by the Members are as follows:

Sl. No.	Name	Status	No.of meetings attended
1	Mr. Manash Chakraborty	Member	3
2	Mr. B. Dasgupta *	Member	3
3	Mr. P.K. Sarkar **	Member	4
4	Mr. Dipak Rudra	Member	4
5	Mr. Dipak Dasgupta	Member	4

* Nomination of Mr. B. Dasgupta was withdrawn by IDBI Bank Ltd. w.e.f. 29th June, 2013 and in his place Mrs. Devjani Mandal was appointed as Nominee Director of IDBI Bank Ltd. w.e.f. 29th June, 2013.

** Mr. P.K. Sarkar has resigned from the board of directors of the Company w.e.f. 8th May, 2013.

The Internal Auditor and the Statutory Auditors attend the meeting as and when felt necessary. The Company Secretary acts as the Secretary of the Committee. The Chairman of the Audit Committee Mr. Dipak Rudra attended the last Annual General Meeting held on 28th September, 2012.

B) Remuneration Committee

a) Composition of the Committee

The present composition of the Remuneration Committee comprises three members, all being independent directors. During the financial year ended 31st march, 2013, no meeting of the Remuneration Committee was held.

b) Terms of Reference of the Committee

The Committee shall have authority to deal with the matters specified under the Companies Act, 1956 and the terms of reference of the Committee are as under:-

- i) Any fixation/change in remuneration of whole time directors/ Managing Director.
- ii) Any fixation/ change in sitting fees payable to the Board/ Committee members for attending the meeting.
- iii) To review the existing remuneration of the executives (GM level and above) and to approve any changes thereof.

SHALIMAR WIRES INDUSTRIES LIMITED

c) Remuneration to Directors.

The details of remuneration paid to all the Directors during the year ended on 31.03.2012 are given below:

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Sitting fee (Rs.)	Total (Rs.)	Service Contract if any
Mr. Sunil Khaitan (Chairman & Mg. Director)	22,20,000	14,44,538	—	36,64,538	Yes
Mr. Manash Chakraborty (Nominee Director)	—	—	62,000	62,000	Nominee
Mr. B. Dasgupta * (Nominee Director)	—	—	54,000	54,000	Nominee
Mr. P. K. Sarkar **	—	—	72,000	72,000	No
Mr. Probir Roy	—	—	32,000	32,000	No
Mr. Dipak Rudra	—	—	72,000	72,000	No
Mr. Dipak Dasgupta	—	—	72,000	72,000	No
Total	22,20,000	14,44,538	3,64,000	40,28,538	

* Nomination of Mr. B. Dasgupta was withdrawn by IDBI Bank Ltd. w.e.f. 29th June, 2013 and in his place Mrs. Devjani Mandal was appointed as Nominee Director of IDBI Bank Ltd. w.e.f. 29th June, 2013.

** Mr. P.K. Sarkar has resigned from the board of directors of the Company w.e.f. 8th May, 2013.

C) Investor Grievance/Share Transfer Committee

a) Composition of the Committee

The present composition of the Investors' Grievance Committee comprises four members, all being independent directors. During the financial year ended 31st March, 2013, four meetings of the Investors' Grievance Committee were held on 12.05.2012, 14.08.2012, 10.11.2012 and 05.02.2013. The details of meetings attended by the Members are as follows:

Sl. No.	Name	Status	No. of meetings attended
1	Mr. Manash Chakraborty	Member	3
2	Mr. B. Dasgupta *	Member	3
3	Mr. P. K. Sarkar **	Member	4
4	Mr. Dipak Rudra	Member	4
5	Mr. Dipak Dasgupta	Member	4

* Nomination of Mr. B. Dasgupta was withdrawn by IDBI Bank Ltd. w.e.f. 29th June, 2013 and in his place Mrs. Devjani Mandal was appointed as Nominee Director of IDBI Bank Ltd. w.e.f. 29th June, 2013.

** Mr. P. K. Sarkar has resigned from the board of directors of the Company w.e.f. 8th May, 2013.

b) Terms of Reference.

The terms of reference of the Investor Grievance Committee are as follows :

- i) Ensure redressal of Shareholders and Investors complaints relating to transfer of shares, Non-receipt of balance sheet etc.
- ii) Redressal of Investors complaints in respect of non-receipt of interest/redemption proceeds against the non-convertible debenture.

- iii) To oversee the performance of Maheshwari Datamatics Pvt. Ltd., the Registrar and Share Transfer Agent.
- iv) To delegate the powers of approving transfer of shares/debentures to the Company's Registrar under the supervision and control of the Company Secretary, subject to placing of the summary statement of transfer/ transmission etc. of shares/debentures of the company at the committee meeting.
- v) To implement and monitor the various requirement as set out in the Code of Conduct for provision of insider trading pursuant to the provisions of the SEBI (prohibition of Insider Trading Regulations, 1992.)

As per SEBI guidelines, the powers of processing of the share transfers, both physical and demat mode have been delegated to M/s. Maheshwari Datamatics Pvt. Ltd. in order to expedite the process of share transfers, issue of duplicate certificates and certificates after split/consolidation/ renewal and rematerialisation. Mr. S.K. Kejriwal, Company Secretary has been appointed as the compliance officer for complying with the requirement of SEBI and the listing agreement.

The Company confirms that there were no share transfers lying pending as on 31.03.2013 and all requests for dematerialisation and re-materialisation of shares as on that date were confirmed/ rejected into the NSDL/CDSL system. Details of shareholders' complaints received and resolved during the period April, 2012 to March, 2013 :-

a) Number of Shareholders' complaints received during the year	:	1
b) Number of Shareholders' complaints resolved during the year	:	1
c) Number of complaints not resolved to the satisfaction of shareholders	:	Nil
d) Number of complaints pending	:	Nil

4. General Body Meetings

The last three Annual General Meeting were held as under :

Financial Year	Date and Time	Venue	No. of Special Resolution
2011-2012	28.09.2012 10.00 A.M.	Science City Mini Auditorium Kolkata	1 (appointment u/s.314 of the Companies Act, 1956)
2010-2011	30.09.2011 10.00 A.M.	Science City Mini Auditorium Kolkata	1 (appointment of Mg. Director)
2009-2010	30.09.2010 10.00 A.M.	Science City Mini Auditorium Kolkata	None

In the last AGM held on 28.09.2012 no resolution was passed through Postal Ballot.

There is no proposal for passing any resolution through Postal Ballot in the ensuing AGM.

Resume and other information regarding the Directors seeking re-appointment as required by clause 49(iv)(G)(i) of the Listing Agreement has been given in the Notice of the Annual General Meeting annexed to the Annual Report.

5. Disclosures

- i) Related Party transactions have been disclosed under Note No. 29 (7) to the accounts for year under review.
- ii) The Company has complied with all the requirements of the listing agreements with the Stock Exchanges as well as regulations and guidelines of SEBI, wherever applicable. Further, in terms of Rehabilitation Scheme sanctioned by BIFR, the Promoters/ their associates had brought Rs.500 lacs in the Company and 2,50,00,000 fully paid up equity shares of Rs.2/- each amounted to Rs.500 lacs were allotted by the Company. Consequent upon issue of the aforesaid shares to the Promoters, their shareholding was increased to 87.90%. SEBI has passed an Order on 4th June, 2013 in relation to compliance with the requirement of Minimum Public Shareholding (MPS) by the Promoters of the Company. Subsequently the Company has allotted 59,50,000 equity shares to ARCIL in terms of BIFR Order. In view of the same the promoters shareholding has come below 75% in compliance of MPS requirement. The Company has informed SEBI accordingly.

- iii) No penalties or stricture have been imposed by SEBI, Sock Exchanges or any Statutory Authorities on matters related to Capital Markets during the last three years.
- iv) Resume and other information of the Directors proposed to appointed/re-appointed (including those retiring by rotation) at the ensuing Annual General Meeting are given in the Notice relating thereto to the shareholders as required under clause 49(IV)(G) of the Listing Agreement.

6. Management Responsibility Statement

The management confirms that the Financial Statements are in full conformity with requirements if the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. The Management accepts responsibility for the integrity and objectivity of these financial statements as well as for estimates and judgments relating to matters not concluded by the year- end. The management believes that the financial statements of operation reflect fairly the form and substance of transactions and reasonably present the Company's financial condition and the results of operations. The Company has a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The internal Audits have conducted periodic audits to provide reasonable assurance that the Company's established policy and procedures have been followed.

The financial statements have been audited by Messrs. G.P. Agarwal & Co. and Messrs. S.S. Kothari & Co., Chartered Accountants and have been discussed in the Audit Committee.

7. Managing Director/CFO Certification

Mr. Sunil Khaitan, Managing Director and Mr. S.J. Sengupta, CFO have certified to the Board that :-

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and believe:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the Audit Committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the control system over financial reporting.

The above certificate was placed before the Board Meeting held on 20th May, 2013.

8. Means of Communication

(i) Financial Results

The quarterly unaudited financial results and the audited financial results as approved and taken on record by the Board of Directors of the company are published during the year under review in leading national newspapers viz Financial Express (all edition) and a local language newspaper and also sent immediately to all the Stock Exchanges with which the shares of the Company are listed. The annual reports are posted to every shareholder of the Company.

- (ii) The Company's results are displayed on the website www.shalimarwires.com.
- (iii) The Company has a separate e-mail Id secretarial@shalimarwires.com for investors to intimate their grievances, if any.

(iv) Management Discussion and Analysis report in accordance with clause 49(iv)(F)(i) of the Listing Agreement has been given as part of the Directors' Report.

9. General Shareholders Information :

a) Annual General Meeting

Date : 23rd September, 2013
 Time : 10 .00 A.M.
 Venue : Science City Mini Auditorium
 J.B.S. Haldane Avenue
 Kolkata- 700 046

b) Financial Calender (tentative) for the year 2013 - 2014

1st Quarterly results On 6th August, 2013
 2nd " " On or before 14th Nov, 2013
 3rd " " On or before 14th Feb, 2014
 4th " " On or before 15th May, 2014

c) Book Closure Date

: 20th September, 2013 to 23rd September, 2013
 (both days inclusive)

d) Dates of the completion of the Secretarial Audits for each quarter

: 1st Quarter - 10th July, 2013
 2nd Quarter - On or before 15th October, 2013
 3rd Quarter - On or before 15th January, 2014
 4th Quarter - On or before 15th April, 2014

e) Listing of Equity shares on Stock Exchanges

The Company's shares are listed on the Stock Exchanges at:-
 • Calcutta (Stock Code 100294)
 • Mumbai (Stock Code 532455)
 The listing fees for the period 2012-2013 have been paid to both the Stock Exchanges.
 Demat ISIN Number in NSDL and CDSL : INE 655 D 01025
 f) Market Price Data : The market price data (Monthly High/Low) of the company's Equity Shares traded on The Stock Exchange, Mumbai during the period April 2012 to March 2013 is given below. There was no trading in Calcutta stock exchange.

MONTH	BOMBAY STOCK EXCHANGE LTD.	
	High	Low
April, 12	9.09	8.03
May, 12	9.35	6.95
June, 12	8.43	8.00
July, 12	8.29	7.55
Aug, 12	8.10	7.53
Sept, 12	8.09	7.10
Oct, 12	8.96	7.21
Nov, 12	8.96	7.98
Dec, 12	8.50	7.90
Jan, 13	8.69	7.60
Feb, 13	7.98	6.61
Mar, 13	8.15	6.62

g) Registrar and Share Transfer Agent

: Maheshwari Datamatics Pvt. Ltd.
 6, Mangoe Lane, 2nd Floor
 Kolkata - 700 001

SHALIMAR WIRES INDUSTRIES LIMITED

h)	Share Transfer System	The Company's shares are in compulsory demat mode. The share received for transfer in physical mode are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respect. Shares under objection are returned within two weeks. Total number of physical shares transferred during the year ended 31.03.2013 was 2224.
i)	Distribution of shareholding & shareholding Pattern.	As per Appendix
j)	Dematerialisation of shares	<p>The shares of the Company are compulsorily traded in dematerialized form under depository system of both the National Securities Depository Ltd.(NSDL) and the Central Depository Services (India)Ltd. (CDSL). Company's Electronic Connectivity Registrar is Maheshwari Datamatics Pvt.Ltd., 6, Mangoe Lane, Kolkata - 700 001.</p> <p>6105562 Nos. of equity shares (19.28 %) of the paid up share capital of the Company was held in demat form with NSDL and CDSL as on 31st March, 2013. International Securities & Identification Number is INE 655 D 01025.</p>
k)	Corporate Identity Number	The Corporate Identity Number (CIN) of the Company is L74140WB1996PLC081521
l)	Factory location	<p>The Company's factories are located at the following places :-</p> <ol style="list-style-type: none">1. 77, Netaji Subhas Road, Uttarpara, Dist.Hooghly, W.B.2. E-26/29, Industrial Area, Satpur, Nashik - 422 0073. Paper Machine Wire Unit 73, Industrial Estate, Satpur, Nashik - 422 007
m)	Address for correspondence	<p>With the Company : Share Department 25, Ganesh Chandra Avenue, 2nd Floor, Kolkata - 700 013 Tel.Nos : (033) 2234-9308/09/10 Fax No. : (033) 2211-6880 E-mail : secretarial@shalimarwires.com Website : http://www.shalimarwires.com</p> <p>With the Registrar : Maheshwari Datamatics Pvt.Ltd. 6,Mangoe Lane,2nd Floor Kolkata - 700 001 Tel.Nos : (033) 2243-5029/5809,(033) 2248-2248 Fax : (033) 2248 5787 E-mail : mdpl@cal.vsnl.net.in</p>

Appendix

DECLARATION INDER CLAUSE 49 (I) (D) (ii)

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board members and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st march, 2013.

Place : Kolkata
Dated : 6th August, 2013

Sunil Khaitan
Chairman & Managing Director

APPENDIX

PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2013

Category	No. of share holders	% of share holders	No. of shares held	% of share holding
Promoters/Directors & their relatives including associate companies.	23	0.15	2,78,24,849	87.90
Financial Institutions/Insurance Companies/ Mutual Funds & Bank	26	0.18	7,77,469	2.46
Non-resident Indians/Overseas corporate bodies	23	0.15	10,536	0.03
Other bodies corporate	156	1.05	11,41,025	3.60
Indian Public	14598	98.47	19,11,244	6.01
Total	14826	100.00	3,16,55,123	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013

No. of Equity shares held	No. of share holders	% of share holders	No. of shares held	% of share holding
1-500	14366	96.90	8,61,877	2.72
501-1000	207	1.39	1,70,514	0.54
1001-5000	174	1.17	3,89,869	1.23
5001-10000	29	0.20	2,08,357	0.66
10001 and above	50	0.34	3,00,24,506	94.85
Total	14826	100.00	3,16,55,123	100.00

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SHALIMAR WIRES INDUSTRIES LIMITED

We have examined the compliance of conditions of corporate governance by Shalimar Wires Industries Limited for the year ended 31st March, 2013, as stipulated in Clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to 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 opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

As required by the guidance note issued by The Institute of Chartered Accountants of India, we have to state as per the records maintained, there were no investors grievances remaining unattended/ pending for more than 30 days as at 31st March, 2013.

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.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

FR. No. 302082E

CA. Sourav Choudhary

Membership No.300768

Partner

7A, Kiran Shankar Ray Road

Kolkata, 6th August, 2013

For **S.S. KOTHARI & CO.**

Chartered Accountants

FR. No. 302034E

CA. A. Datta

Membership No. 5634

Partner

21, Old Court House Street

Kolkata, 6th August, 2013

INDEPENDENT AUDITORS' REPORT

to the Members of Shalimar Wires Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Shalimar Wires Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

- a) *Refer Note no. 13 of the financial statement regarding non-provision against Loans and Advances given amounting to Rs. 406.18 Lacs.*
- b) *Refer Note no. 14 of the financial statement regarding non-provision against Claims Receivable amounting to Rs. 45.87 Lacs.*
- c) *Refer Note no. 16 of the financial statement regarding non-provision against Sundry Debtors amounting to Rs. 31.48 Lacs.*
- d) *Refer para 4 of Note no. 29 of the financial statement regarding amount due from Sundry Debtors and Loans & Advances given and due to Sundry Creditors in respect of which*

confirmation has not been obtained the impact of which, if any, on the profit, reserves & surplus, assets and liabilities is not ascertainable.

- e) *Refer para 8 of Note no. 29 of the financial statement regarding preparation of financial statements on a going concern basis for reasons stated therein. The appropriateness of assumption of going concern is critically dependent upon the Company's ability to raise requisite finance / generate cash flows in the near future to meet its obligations.*
- f) *Refer para 1 and 3 of Note no. 29 of the financial statement regarding non compliance of Accounting Standard 29 with respect to Contingent Liabilities, the quantum of non-provision in respect whereof has not been ascertained.*

The above non provisions constitute a departure from the accounting standards referred to in sub-section (3C) of section 211 of the Act. Without considering item nos. (d), (e) and (f) above, whose impact on the company's profit is presently not ascertainable, had the management made the aforesaid provisions in respect of item nos. (a), (b) and (c) above, Long term Loans and Advances would have decreased by Rs. 406.18 lacs, Other non current assets would have decreased by Rs. 45.87 lacs, Trade receivables would have decreased by Rs. 31.48 lacs and net profit and shareholders' funds would have been lower by Rs.483.53 lacs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in para (a) to (c) and possible effects of the matter described in para (d) to (f) in the Basis for Qualified Opinion paragraph, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;*
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and*
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Report on other Legal and Regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us];
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) except for the effects of the matters described in para (a) to (c) and possible effects of the matter described in para (d) to (f) in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement

comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For **G. P. AGRAWAL & CO.**

Chartered Accountants

FR. No. 302082E

CA. Sourav Choudhary

Membership No.300768

Partner

7A, Kiran Shankar Ray Road

Kolkata, 20th May, 2013

For **S.S. KOTHARI & CO.**

Chartered Accountants

FR. No. 302034E

CA. A. Datta

Membership No. 5634

Partner

21, Old Court House Street

Kolkata, 20th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Auditors' Report to the members of **SHALIMAR WIRES INDUSTRIES LIMITED** on the Accounts for the year ended 31st March, 2013:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) The fixed assets, **except those at the Strip & Wire Unit at Nashik, which is under closure**, have been physically verified under a phased program of physical verification. To the best of our knowledge, no material discrepancies were noticed on such verification.
- c) The Company has not disposed off substantial part of fixed assets during the year.
- ii. a) the inventories, **except those at the Strip & Wire Unit at Nashik, which is under closure**, have been physically verified during the year by the management at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks, followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. a) The Company has granted unsecured loans to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 159.22 Lacs and the year end balance was Rs. 159.22 Lacs.
- b) In our opinion and according to the information given to us, the rate of interest and other terms and conditions of unsecured loans given by the Company are prima facie not prejudicial to the interest of the Company **except that no interest is being charged on these loans since 1st April, 2002.**
- c) **Receipt of the principal amount and interest on the above loans are not regular.**
- d) **As explained to us, the aforesaid loans given have become overdue and are doubtful, however, necessary legal action have been initiated by the Company in these regards.**
- e) The Company has taken unsecured loans from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 16.75 Lacs and the year end balance was Rs. 16.75 Lacs.
- f) The above loans are **interest free** and other terms and conditions thereof are not prejudicial to the interests of the company.
- g) There has been no repayment of the principal amount against the aforesaid loans during the year. However, 90% of the original loan is written back pursuant to BIFR order dated 10th June, 2010.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system, commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and also for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

- v. To the best of our information and explanations given to us, no contracts or arrangements were entered into during the year as referred to in section 301 of the Companies Act, 1956. Therefore, provisions of clause (v) of paragraph 4 of the said order are not applicable to the Company.
- vi. The Company has not accepted any deposit within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion, the internal audit system of the Company is commensurate with the size of Company and nature of its business **except that no internal audit has been carried out during the year at the Strip & Wire Unit at Nashik, which is under closure.**
- viii. We have broadly reviewed the books of account maintained by the company in respect of products where pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We, however, as not required, have not made a detailed examination of such records.
- ix. a) According to the records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty and other statutory dues with appropriate authorities, except the following amounts which are outstanding as on 31st March 2013 for a period of more than six months from the date of becoming payable :

Sl. No.	Name of Act	Nature of Dues	Year (Rs. Lacs)	Amount not paid
1	CST Act, 1956	Sales Tax	2003-2004	0.72
2	Bombay States Stamps Act, 1958	Stamp Duty and Interest thereon	2001-2010	210.32

As explained to us, the Company does not have any dues in respect of Wealth Tax, Service Tax and Cess.

- b) The disputed statutory dues aggregating to Rs 4672.17 Lacs that have not been deposited on account of matters pending before appropriate authorities are as under :

Sl. No	Name of Act	Nature of Dues	Amount not paid due to dispute (Rs. Lacs)	Year to which it Relates	Forum
1	WBST Act, 1994	Tax & Penalty	0.11	1988-1989	The Additional Commissioner of Commercial Taxes, Kolkata
2	WBST Act, 1994	Tax , Interest & Penalty	3.11	2002-03	The Additional Commissioner of Commercial Taxes, Kolkata
3	WBST Act, 1994	Tax & Penalty	7.83	1993-94, 2000-01, 2003-04 & 2004-05	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata.
4	WBST Act, 1994	Tax & Penalty	4.73	2001-02	The High Court of Calcutta
5	WBST Act, 1994	Tax & Penalty	16.79	2005-06 & 2006-07	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata.
	WBST Act, 1994	Tax & Penalty	0.34	2008-09	Joint Commissioner of Commercial taxes

SHALIMAR WIRES INDUSTRIES LIMITED

Sl. No	Name of Act	Nature of Dues	Amount not paid due to dispute (Rs. Lacs)	Year to which it Relates	Forum
6	CST Act, 1956	Tax, Interest & Penalty	190.53	1999-00	The Sr. Joint Commissioner of Sales Tax
7	CST Act, 1956	Tax, Interest & Penalty	130.12	2004-05	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata.
	CST Act, 1956	Tax	0.72	1988-89	The Joint Commissioner of Commercial Taxes, Kolkata
8	CST Act, 1956	Tax, Penalty & Interest	529.26	1998-99 & 2002-03	The Additional Commissioner of Commercial Taxes, Kolkata
9	CST Act, 1956	Tax, Penalty & Interest	340.56	1996-97 & 2001-02	The High Court of Calcutta
10	CST Act, 1956	Tax, Penalty & Interest	795.60	1993-94, 1995-96, 1997-98, 2000-01 & 2003-04	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata.
11	CST Act, 1956	Tax & Penalty	75.08	2005-06, 06-07 and 07-08	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata.
12	CST Act, 1956	Tax & Penalty	17.20	2008-09, 2009-10	The Additional Commissioner of Commercial Taxes, Kolkata
13	Central Excise Act, 1944	Tax & Penalty	62.92	1992-1993, 1994-1995	Commissioner C.E. , Cal -IV, Kolkata
13	Central Excise Act, 1944	Tax & Penalty	105.37	2002-03 2003-04 & 2005-10	Commissioner (Appeals), C.E. , Cal -IV, Kolkata
14	Central Excise Act, 1944	Tax & Penalty	4.87	2010-2011	Commissioner (Appeals), C.E. , Cal -II, Kolkata
15	Central Excise Act, 1944	Tax & Penalty	1744.69	1987-92 & 2000-03	Hon'ble Supreme Court, New Delhi
16	Central Excise Act, 1944	Tax	11.23	1989-90 & 2005-2006	Hon'ble High Court, Mumbai
17	Central Excise Act, 1944	Tax & Penalty	4.34	2003-04	Commissioner (Appeals) Nashik
18	Central Excise Act, 1944	Tax	1.73	2002-03	CESTAT, Mumbai
19	Central/Delhi Sales Tax Act	Tax	0.62	1999-2002	The Asst. Commissioner, Sales Tax, Delhi
20	Central Sales Tax Act - Ahmedabad	Tax & Penalty	5.50	1999-2000 & 2002-03	The Asst. Commissioner, Sales Tax, Ahmadabad
21	Customs Act, 1962	Tax	573.24	2000-03	Commissioner, Customs, Nashik & Mumbai, Pune.
22	NMC Octroi case no 476/1989&4/1992	Tax	11.69	1989-90 & 1991-92	Hon'ble High Court, Mumbai

Sl. No	Name of Act	Nature of Dues	Amount not paid due to dispute (Rs. Lacs)	Year to which it Relates	Forum
23	Custom duty including interest & penalty	Tax & Penalty	33.99	1997-98 2001-02	DGFT , Mumbai,Pune, Tughkalabad & Delhi
			4672.17		

- x. The accumulated losses of the Company have exceeded fifty percent of its net worth though it has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- xi. The Company has defaulted in repayment of dues of Rs. 2,560 lacs (excluding SICOM and Sales Tax Loan dues) to banks, financial institutions and debenture holders, as referred in Note No.10 to the Notes to Accounts.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
- xiii. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to the Company.
- xiv. The Company is not trading or dealing in shares, debentures. The Company has maintained proper records of transactions and contracts in respect of investment in shares and timely entries have been made therein. All investments have been held by the Company in its own name.
- xv. The Company has not given any guarantees for loans taken by others from banks during the year.
- xvi. The Company has neither taken any term loan during the year nor applied during the year any part of the term loans taken in earlier years.
- xvii. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company, we report that short-term funds have not been used for long-term investment.
- xviii. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debenture during the year.
- xx. The Company has not raised any money during the year by public issue.
- xxi. Based upon the audit procedure performed and the information and explanation given by the Company, we report that no fraud on or by the Company has been noticed or reported during the year that causes the financial statements materially misstated.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

FR. No. 302082E

CA. Sourav Choudhary

Membership No.300768

Partner

7A, Kiran Shankar Ray Road

Kolkata, 20th May, 2013

For **S.S. KOTHARI & CO.**

Chartered Accountants

FR. No. 302034E

CA. A. Datta

Membership No. 5634

Partner

21, Old Court House Street

Kolkata, 20th May, 2013

SHALIMAR WIRES INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS

	Schedule	As at 31st March, 2013		As at 31st March, 2012	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a) Share Capital	2	356,745,112		330,645,112	
b) Reserves and Surplus	3	(1,837,438,621)	(1,480,693,509)	(1,928,169,106)	(1,597,523,994)
2. Non-Current Liabilities					
a) Long Term Borrowings	4	525,933,333		533,306,610	
b) Deferred Tax Liabilities (Net)	5	—		—	
c) Other Long Term Liabilities	6	61,613,215		64,642,730	
d) Long Term Provisions	7	35,343,098	622,889,646	33,367,973	631,317,313
3. Current Liabilities					
a) Trade Payables	8	69,771,614		63,436,188	
b) Other Current Liabilities	9	2,023,478,506		2,037,764,707	
c) Short Term Provisions	10	6,293,488	2,099,543,608	4,891,587	2,106,092,482
Total			1,241,739,745		1,139,885,801
II. ASSETS					
1. Non-Current Assets					
a) Fixed Assets	11				
i) Tangible Assets		437,736,124		408,458,948	
ii) Intangible Assets		17,525,796		448,420	
iii) Capital Work-in-Progress		42,824,704		3,264,901	
		<u>498,086,624</u>		<u>412,172,269</u>	
b) Non-Current Investments	12	2,712,401		2,921,188	
c) Long Term Loans and Advances	13	73,677,646		98,094,554	
d) Other Non-Current Assets	14	16,252,852	590,729,523	11,544,530	524,732,541
2. Current Assets					
a) Inventories	15	267,181,156		246,242,480	
b) Trade Receivables	16	305,733,045		278,950,533	
c) Cash and Bank Balances	17	18,781,816		39,980,499	
d) Short Term Loans and Advances	18	58,188,131		49,082,142	
e) Other Current Assets	19	1,126,074	651,010,222	897,606	615,153,260
Total			1,241,739,745		1,139,885,801

Significant Accounting Policies 1

Other Disclosures 29

The accompanying notes 1 to 29 are an integral part of the financial statement.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

Chartered Accountants

FR No. 302082E

CA Sourav Choudhary

Membership No. 300768

Partner

Kolkata, 20th May, 2013

For **S. S. KOTHARI & CO.**

Chartered Accountants

FR No. 302034E

CA A. Datta

Membership No. 5634

Partner

Kolkata, 20th May, 2013

S. J. Sengupta

Sr. V. P. & (CFO)

S. K. Kejriwal
Company Secretary

Sunil Khaitan

Managing Director

Dipak Dasgupta
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	Schedule	2012-2013		2011-2012	
		Rs.	Rs.	Rs.	Rs.
I. Revenue from Operations	20				
a) Sale of goods (Gross)		1,005,813,850		925,381,630	
Less : Excise Duty		90,214,478		72,325,114	
Net Sale of Goods		<u>915,599,372</u>		<u>853,056,516</u>	
b) Other Operating Income		9,380,027	924,979,399	11,762,583	864,819,099
II. Other Income	21		<u>12,918,902</u>		<u>12,644,861</u>
III. Total Revenue (I + II)			<u>937,898,301</u>		<u>877,463,960</u>
IV. Expenses:					
Cost of Materials Consumed	22		288,371,156		237,776,929
Changes in Inventories of Finished Goods, Work in Progress & Scrap	23		3,921,483		24,995,680
Employees Benefits expense	24		173,351,445		156,520,922
Finance Costs	25		31,907,375		33,540,502
Depreciation and Amortisation Expense	26		65,139,833		53,315,690
Other Expenses	27		275,898,145		250,097,707
Total Expenses			<u>838,589,437</u>		<u>756,247,430</u>
V. Profit before exceptional and extraordinary items and tax (III - IV)			<u>99,308,864</u>		<u>121,216,530</u>
VI. Exceptional Items			—		—
VII. Profit before extraordinary items and tax (V - VI)			<u>99,308,864</u>		<u>121,216,530</u>
VIII. Extraordinary Items			—		—
IX. Profit before tax (VII - VIII)			<u>99,308,864</u>		<u>121,216,530</u>
X. Tax Expense					
i) Current Tax		—		—	
ii) Deferred Tax		—		(9,570,984)	(9,570,984)
XI. Profit for the year from continuing operations (IX - X)			<u>99,308,864</u>		<u>130,787,514</u>
XII. Profit / (Loss) from discontinuing operations			(8,578,379)		(11,278,372)
XIII. Tax Expenses of discontinuing operations			—		—
XIV. Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)			(8,578,379)		(11,278,372)
XV. Profit for the Year (XI + XIV)			90,730,485		119,509,142
XVI. Earnings Per Equity Share	28				
Basic & Diluted					
a) Continuing operations			3.14		10.36
b) Total operations			2.87		9.47

Significant Accounting Policies

1

Other Disclosures

29

The accompanying notes 1 to 29 are an integral part of the financial statements.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

Chartered Accountants

FR No. 302082E

CA Sourav Choudhary

Membership No. 300768

Partner

Kolkata, 20th May, 2013

For **S. S. KOTHARI & CO.**

Chartered Accountants

FR No. 302034E

CA A. Datta

Membership No. 5634

Partner

Kolkata, 20th May, 2013

S. J. Sengupta

Sr. V. P. & (CFO)

S. K. Kejriwal
Company Secretary**Sunil Khaitan**

Managing Director

Dipak Dasgupta
Director

SHALIMAR WIRES INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2013

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
A. Cash Flow from Operating Activities :		
Net Profit (Loss) before Tax	90,730,485	109,938,158
Adjustments For :		
Depreciation and amortisation expense	66,761,295	55,052,216
(Profit)/Loss on Sale Discard of Tangible Fixed Assets	393,973	(367,415)
Interest Income	(1,770,730)	(1,858,566)
Interest Expense	31,907,375	33,540,502
Sundry Balances Written Off	350,000	2,037,422
Unspent Liabilities Written Back	(3,673,696)	(2,205,861)
Provision for Diminution in value of Investment	208,787	230,518
Debts and advances written off	-	32,191
Operating Profit before Working Capital Changes	184,907,489	196,399,165
Adjustments to reconcile operating profit to cash flow provided by changes in working capital :		
Increase/(Decrease) in Other Long Term Liabilities	644,181	(7,601,347)
Increase/(Decrease) in Long Term Provisions	1,975,125	4,131,094
Increase/(Decrease) in Short Term Provisions	1,401,901	(1,142,324)
Increase/(Decrease) in Trade Payables	6,335,426	20,752,433
Increase/(Decrease) in Other Current Liabilities	(14,286,201)	(7,533,123)
Decrease/(Increase) in Long Term Loans & Advances	24,561,688	(26,287,862)
Decrease/(Increase) in Other Non-Current Assets	(5,058,322)	8,760,220
Decrease/(Increase) in Inventories	(20,938,676)	7,193,057
Decrease/(Increase) in Trade Receivables	(26,782,512)	(38,481,065)
Decrease/(Increase) in Short Term Loans & Advances	(9,105,989)	11,859,803
Decrease/(Increase) in Other Current Assets	(228,468)	954,731
Cash Generated from / (used in) Operating Activities	143,425,642	169,004,782
Tax Expense	(144,780)	675,435
Net Cash Flow from/(used in) Operating Activities (A)	143,280,862	169,680,217
B. Cash Flow from Investing Activities :		
Interest Income	1,770,730	1,858,566
Deposits under lien with banks	(1,949,926)	1,669,746
Proceeds from sale of Non-Current Investments	-	10,000
Addition to Tangible Fixed Assets	(132,497,243)	(65,954,584)
Addition to Intangible Fixed Assets	(21,521,100)	(60,405)
Sale of Tangible Fixed Assets	948,720	3,596,100
Net Cash flow from/(used in) Investing activities (B)	(153,248,819)	(58,880,577)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2013

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
C. Cash Flow from Financing Activities :		
Proceeds from Equity Shares	26,100,000	11,900,000
Repayment from Long term Borrowings	(7,373,277)	(138,276,709)
Interest Expense	(31,907,375)	(32,903,902)
Net Cash Flow from Financing Activities (C)	(13,180,652)	(159,280,611)
Net Increase in Cash & Cash Equivalents (A+B+C)	(23,148,609)	(48,480,971)
Cash & cash Equivalents (Opening Balance)	33,347,383	81,828,354
Cash & cash Equivalents (Closing Balance) (Refer Note No.17)	10,198,774	33,347,383
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(23,148,609)	(48,480,971)

Notes :

- The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Accounting Standard -3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules,2006.
- Addition to Fixed Assets include movement of Capital Work in Progress during the year.
- Proceeds from Longs term Borrowings are shown net of repayments.
- Figures in brackets represent cash outflow from respective activities.
- Cash & cash Equivalents do not include any amount which is not available to the Company for its use.
- As breakup of Cash & cash equivalents is also available in Note No.17, reconciliation of items of Cash & cash equivalents as per Cash Flow Statement with the equivalent items reported in the Balance Sheet is not required and hence not provided.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

Chartered Accountants

FR No. 302082E

CA Sourav Choudhary

Membership No. 300768

Partner

Kolkata, 20th May, 2013

For **S. S. KOTHARI & CO.**

Chartered Accountants

FR No. 302034E

CA A. Datta

Membership No. 5634

Partner

Kolkata, 20th May, 2013

S. J. Sengupta

Sr. V. P. & (CFO)

S. K. Kejriwal
Company Secretary

Sunil Khaitan

Managing Director

Dipak Dasgupta
Director

SHALIMAR WIRES INDUSTRIES LIMITED

NOTE NO. : 1

SIGNIFICANT ACCOUNTING POLICIES:

The accounts are prepared under the historical cost convention and are in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956. The significant accounting policies followed by the Company are stated below:

1) Recognition of Income & Expenditure :

Income and Expenditure are recognised on accrual basis.

2) Fixed Assets :

Fixed Assets are stated at original cost net of accumulated depreciation and impairments.

Cost includes acquisition price, attributable expenses (including in respect of assets taken on lease) and pre-operational expenses including finance charges and issue expenses, wherever applicable.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

Expenditure (including financing cost relating to borrowed funds for construction or acquisition of Fixed assets) incurred on projects under implementation are being treated as pre-operative expenses pending allocation to the assets and are shown under "Capital Work in Progress".

Impairment Loss is recognised where applicable when the carrying amount of the Fixed Assets of a Cash generating unit exceeds its market value or value in use, whichever is higher.

3) Depreciation and Amortisation :

Depreciation has been charged during the year on all assets at straight line rates prescribed in Schedule XIV to the Companies Act, 1956, as amended. Depreciation has been calculated with reference to the month of addition/sale. Cost of Leasehold Land and installation and other expenses incurred on machineries taken on lease are amortised over the period of the respective lease.

Cost of acquisition of Patents are amortised over the period of patent right.

Technical Knowhow fees is amortised over a period of 5 years with effect from the year of commencement of commercial production.

4) Inventories :

Inventories are stated at 'cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'Weighted Average Cost'.

5) Investments :

Long Term Investments are carried at cost and Provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments, script wise.

6) Foreign Currency Transactions :

- (a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- (b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rates.
- (c) Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- (d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized in the Statement of Profit & Loss.
- (e) In case of items which are covered by forward exchange contracts, the difference between the year end rate and the rate on the date of the contract is recognized as exchange difference. The premium or discount on forward exchange contracts is recognized over the period of the respective contract.

7) Research & Development Expenditure :

Revenue expenditure is charged to Statement of Profit & Loss and Capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

8) Employee Benefits:

- (a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.
- (b) Post employment and other long-term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuations.
Actuarial gains and losses in respect of post employment and other long-term employee benefits are recognized in the Statement of Profit and Loss.

9) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet Date is considered probable. Contingent Liabilities are shown by way of Notes to Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is not considered probable, hence not provided for. Contingent assets are not recognised in the accounts.

10) Borrowing Costs :

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

11) Taxes on Income :

Income-tax expense comprises Current tax and Deferred tax charge or credit. Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognised only to the extent there is a reasonable certainty that the assets can be realized in future.

12) Impairment of Assets :

Impairment loss, if any, is recognised to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased.

Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

After impairment, depreciation or amortisation on assets is provided on the revised carrying amount of the respective asset over its remaining useful life.

13) Operating Cycle:

All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities.

14) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions

SHALIMAR WIRES INDUSTRIES LIMITED

of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

15) Segment Reporting:

Segments are identified based on the dominant source and nature of risks and returns and the internal organisation and management structure. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- (a) Inter segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market led.
- (b) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been disclosed as "Unallocable".

SHALIMAR WIRES INDUSTRIES LIMITED

	As at 31st March 2013			As at 31st March 2012		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
NOTE : 2 SHARE CAPITAL :						
a) Authorised :						
i)	50,000,000 (Previous Year 50,000,000) Equity Shares of Rs. 2/- (Previous Year Rs. 2/-) each		100,000,000			100,000,000
ii)	5,000,000 (Previous Year 5,000,000) Preference Shares of Rs.100/- each		500,000,000			500,000,000
	Total		<u>600,000,000</u>			<u>600,000,000</u>
b) Issued,Subscribed & Paid Up:						
i) Equity Shares Fully Paid Up :						
	316,55,123 (Previous Year 6,655,123) Equity Shares of Rs.2/- (Previous Year Rs. 2/-) each		63,310,246			13,310,246
ii) Equity Shares Partly Paid Up:						
	Nil (Previous Year 25,000,000) Equity Shares of Rs.2/- each	—	—			50,000,000
	Less: Calls Unpaid by a Director and others	—	63,310,246			26,100,000
iii) Preference Shares Fully Paid Up :						
	2,934,349 (Previous Year 2,934,349) 8% Cumulative Redeemable Preference Share of Rs,100/- each		293,434,866			293,434,866
	Total		<u>356,745,112</u>			<u>330,645,112</u>

c) Reconciliation of the number of Equity Shares Outstanding :

Particulars	2012-13		2011-12	
	Nos	Nos	Nos	Nos
Number of Shares outstanding at the beginning of the year		31,655,123		6,655,123
ADD: Number of shares allotted during the year (partly paid)		—		25,000,000
Number of Shares outstanding at the end of the year		31,655,123		31,655,123

d) Shares in the Company held by each Shareholders holding more than 5% Shares

Name of Shareholders	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
Sunita Khaitan	10,000,000	31.59	10,000,000	31.59
Reliance Sheet Works Pvt. Ltd.	7,000,000	22.11	7,000,000	22.11
Amit Commercial Co. Ltd.	7,000,000	22.11	7,000,000	22.11

e) Rights, Preferences and Restrictions attached to shares

- Each Equity Share holder holding shares of Rs.2/- each is eligible for one vote per share held and are entitled to receive dividends as declared from time to time. In the event of liquidation, the equity shares holders are eligible to receive the remaining assets of the Company after distribution of all preferential creditors in proportion to their Shareholdings.
- 8% Cumulative Redeemable Preference shares issued as per IDBI sanction dated 13th June 2006 by way of converting their overdue interest and redeemable in sixteen instalments commencing from 1st April 2017 and ending on 1st January 2021. Cumulative Preference dividend is expected to be paid annually over a period of four years commencing from the financial years 2017-18, based on the projected profitability and cashflows of the Company.

SHALIMAR WIRES INDUSTRIES LIMITED

	As at 31st March 2013			As at 31st March 2012		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
NOTE : 4 LONG TERM BORROWINGS:						
b) Term Loans:						
i) From Banks / Financial Institutions						
Secured:						
Asset Restructuring Company (India) Limited	516,181,568			541,681,568		
IDBI	99,000,000			99,000,000		
IDBI (ACS)	50,681,935			50,681,935		
	665,863,503			691,363,503		
Less : Current maturities of Term Loans (Refer Note - 9)	—			124,000,000		
Less : Overdue portion of Term Loans (Refer Note - 9)	256,000,000			157,500,000		
	409,863,503			409,863,503		
Terms of Repayment:						
IDBI : Pursuant to the BIFR Order dated 10th June 2010 repayment will start from the financial year 2013-14 and end on 2016-17.						
ii) Other Parties						
a) Loans and Advances from Related Parties:						
Unsecured		1,675,000			1,675,000	
b) Other than related parties						
Unsecured:						
Body corporates	1,325,000			1,404,177		
SICOM	4,757,756			4,757,756		
Sale Tax Loan (Under Sales Tax Deferral Scheme)	28,906,419			28,906,419		
	34,989,175			35,068,352		
Less : Current maturity of Term Loans (Refer Note - 9)	6,732,835			6,732,835		
Less : Overdue portion of Term Loans (Refer Note - 9)	26,931,340	1,325,000	412,863,503	20,198,505	8,137,012	419,675,515
Terms of repayment :						
(i) Unsecured loans relating to promoters & body corporates are repayable after the repayment of all settled dues of the secured creditors are made pursuant to the rehabilitation scheme sanctioned by BIFR vide its Order dated 10th June,2010.						
(ii) Loans from SICOM & Sale Tax Loan (Under Sales Tax Deferral Scheme) are repayable over a period of five Years after cut off date (31.03.2009) in equal annual instalments pursuant to the rehabilitation scheme sanctioned by BIFR vide its Order dated 10th June, 2010.						
Nature of Security :						
(i) Term Loans from Financial Institutions and Banks except term loans of Rs. 50,681,935/- (Previous Year Rs. 50,681,935/-) as stated herein after are secured / to be secured by pari passu first charge by deposit of title deeds of all the immovable and movable properties, both present and future subject, however, to prior charges to created / to be created in favour of the Company's bankers on stocks and receivables for securing borrowings for working capital requirements.						
(ii) Term Loans of Rs. 50,681,935/- (Previous Year Rs. 50,681,935/-) under various Schemes of Financial Institution (IDBI) are secured by exclusive charge on Fixed Assets purchased as hereafter stated.						
(iii) Period and amount in continuing default :						
Refer Note - 9						

SHALIMAR WIRES INDUSTRIES LIMITED

	As at 31st March 2013			As at 31st March 2012		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
c) Long Term Maturities of Finance Lease						
Secured:						
Hdfc Bank Ltd		2,504,819			2,760,839	
Tata Motors finance ltd.		62,522			293,084	
Family credit ltd		117,358			197,064	
		<u>2,684,699</u>			<u>3,250,987</u>	
Less : Current Maturities of Finance Lease Obligations (Refer Note - 9)		<u>1,295,965</u>	1,388,734		<u>1,300,988</u>	1,949,999
NOTE:						
i) Terms of repayment						
Repayable in monthly instalments from July 2009 to September 2017 for respective cars covered under above lease.						
ii) Nature of Security						
The aforesaid leases are secured by the hypothication of the cars.						
Total		<u>525,933,333</u>			<u>533,306,610</u>	
Note : 5 Deferred Tax Liabilities (Net) :						
Deferred Tax Liability on account of :						
Depreciation		39,358,457			47,027,517	
Deferred Tax Assets on account of :						
Expenses allowable for tax purposes when paid		<u>39,358,457</u>			<u>47,027,517</u>	
Deferred Tax Liability (Net*) recognised in books		<u>—</u>			<u>—</u>	
*Applying the principle of Accounting Standard 22 - 'Accounting for Taxes on Income', Deferred Tax Assets have been recognised only to the extent of Deferred Tax Liability.						
Note : 6 Other Long Term Liabilities:						
Other Payables						
Accrued Expenses		41,151,347			39,723,247	
Sales Tax in connection Leased Assets sales		4,593,236			4,593,236	
Others	20,731,128			25,188,743		
Less : Current maturity of Lease Rent	<u>4,862,496</u>	<u>15,868,632</u>	<u>61,613,215</u>	<u>4,862,496</u>	<u>20,326,247</u>	<u>64,642,730</u>
Total		<u>61,613,215</u>			<u>64,642,730</u>	
Note : 7 Long Term Provisions:						
a) Provision for Employees Benefits						
Gratuity		23,264,800			20,583,840	
Leave Encashment		<u>10,353,298</u>	<u>33,618,098</u>		<u>11,059,133</u>	31,642,973
b) Others						
Debenture Premium		1,375,000			1,375,000	
Provision for Contingencies		<u>350,000</u>	<u>1,725,000</u>		<u>350,000</u>	<u>1,725,000</u>
Total		<u>35,343,098</u>			<u>33,367,973</u>	

	As at 31st March 2013 Rs.	As at 31st March 2012 Rs.
NOTE : 8 TRADE PAYABLES:		
Total outstanding dues of Micro and Small Enterprises	1,850,577	5,814,099
Total outstanding dues of other than Micro and Small Enterprises	<u>67,921,037</u>	<u>57,622,089</u>
	<u>69,771,614</u>	<u>63,436,188</u>

Note:

- 1) Amount dues to suppliers are subject to confirmation of the parties.
- 2) **The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March' 2013 as under:**

The Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year.	1,850,577	1,326,763
The amount of Interest paid in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year.	—	—
The amount of interest due and payable for the period of delay payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	—	—
The amount of Interest accrued and remaining unpaid at the end of the year.	—	—
The amount of Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	—	—

The information has given in respect of such vendors to the extent they could be identified as " Micro and Small " enterprise on the basis of information available with the Company.

	As at 31st March 2013			As at 31st March 2012		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Note : 9 Other Current Liabilities:						
Current Maturities of Finance Lease Obligations			1,295,965			1,300,988
Current Maturities of Lease Rent Payable			4,862,496			4,862,496
Current Maturities of Long Term Debts			6,732,835			124,000,000
Term Loans - Overdue						
i) From Banks / Financial Institutions Secured:						
Asset Restructuring Company (India) Limited (Refer Note No.4)		256,000,000				157,500,000
ii) Other parties - other than related parties Unsecured:						
SICOM		3,806,205				3,806,205
Sale Tax Loan (Under Sales Tax Deferral Scheme) (Refer Note No.4)		<u>23,125,135</u>	<u>26,931,340</u>	<u>282,931,340</u>		<u>23,125,135</u>
184,431,340						
Debentures - Overdue						
i) 374,097 (Previous Year 374467)						
14% Redeemable Debentures of Rs.30/- each.(Non-Convertible Portion)		11,216,887				11,222,913
ii) 249,375 (Previous Year 249,375)						
14% Redeemable Debentures of Rs.20/- each.(Non-Convertible Portion)		4,987,500				4,987,500

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ii) 10,300 (Previous Year 10,300) 14% Redeemable Debentures of Rs.10/- each.(Non-Convertible Portion)	<u>103,000</u>		<u>103,000</u>	
	16,307,387		16,313,413	
Less: Allotment Money in arrear.	87,360		87,360	
Unpaid Matured Debentures (Payable as per BIFR Scheme)	<u>15,208,397</u>	1,011,630	<u>15,225,510</u>	1,000,543
Unpaid Matured Debentures and Interest accrued				
Unpaid Matured Debentures	15,208,397		15,225,510	
Interest Accrued and Due on Borrowings	<u>1,674,075,234</u>	1,689,283,631	<u>1,672,851,334</u>	1,688,076,844
Other Payables				
Advance from Customers & others	8,380,139		4,736,768	
Unpaid salaries and other payroll dues	23,650,527		24,051,318	
Statutory liabilities	5,275,455		5,254,818	
Retention money	35,472		25,784	
Others	<u>19,016</u>	37,360,609	<u>23,808</u>	34,092,496
Total		<u>2,023,478,506</u>		<u>2,037,764,707</u>

Notes:

- (i) **Period of redemption of Debentures in respect of (i) to (iii) above :**
At par on the expiry of 7th, 8th and 9th years from the date of allotment i.e.4th Feb' 1992.
- (ii) **Nature of Security :**
Refer Note No.4.
- (iii) **Period and amount in continuing default:**
These loans could not be repaid as per the restructuring terms (refer Note no. 4)

Nature of Loans	As at 31st March 2013		As at 31st March 2012	
	Amount of Default (Rs.)	Due Since	Amount of Default (Rs.)	Due Since
Secured - Term Loan				
Asset Restructuring Company (India) Limited	—	June 2011	22,500,000	June 2011
Asset Restructuring Company (India) Limited	37,000,000	September 2011	40,000,000	September 2011
Asset Restructuring Company (India) Limited	40,000,000	December 2011	40,000,000	December 2011
Asset Restructuring Company (India) Limited	55,000,000	March 2012	55,000,000	March 2012
Asset Restructuring Company (India) Limited	124,000,000	March 2013	—	—
Unsecured Term Loan				
SICOM	951,551	March 2010	951,551	March 2010
SICOM	951,551	March 2011	951,551	March 2011
SICOM	951,551	March 2012	951,551	March 2012
SICOM	951,551	March 2013	—	—
Sale Tax Loan (Under Sales Tax Deferral Scheme)	5,781,284	March 2010	5,781,284	March 2010
Sale Tax Loan (Under Sales Tax Deferral Scheme)	5,781,284	March 2011	5,781,284	March 2011
Sale Tax Loan (Under Sales Tax Deferral Scheme)	5,781,284	March 2012	5,781,284	March 2012
Sale Tax Loan (Under Sales Tax Deferral Scheme)	5,781,284	March 2013	—	—

* As confirmation regarding waiver of interest and penalty as per BIFR Scheme has not been received from SICOM and Sales tax Loan (Under Sales Tax Deferral Scheme) department, Government of Maharashtra, the amount as above could not be repaid.

Note : 10 Short Term Provisions:

a) Provision for Employees Benefits				
Gratuity	4,141,795		2,943,847	
Leave Encashment	2,151,693	6,293,488	1,947,740	4,891,587
Total		<u>6,293,488</u>		<u>4,891,587</u>

Note : 11 Fixed Assets
i) Tangible Assets

Reconciliation of the Gross Carrying Amounts and Net Carrying Amounts at the beginning and at the end of the year.

DESCRIPTION OF ASSETS	GROSS BLOCK		DEPRECIATION		IMPAIRMENT		NET BLOCK	
	As at 1.04.2012	As at 31.03.2013	Upto 31.03.2012	For the Year	As at 1.04.2012	Reversed during the Year	As at 31.03.2013	As at 31.03.2012
Landis	1,270,150	1,270,150	-	-	-	-	1,270,150	1,270,150
Freehold Leasehold	1,005,213	1,005,213	296,385	11,581	-	-	697,247	708,828
Buildings	173,698,780	182,148,408	81,525,052	4,720,243	-	-	95,903,113	92,173,728
Plant and Equipments	1,103,293,408	1,178,593,310	813,643,281	54,041,055	1,685,261	865,999,075	312,594,235	289,650,127
Furniture and Fixtures	37,850,827	37,949,717	26,853,146	1,338,347	316,959	27,874,534	10,075,183	10,997,681
Vehicles	10,405,644	11,182,018	3,293,957	899,459	181,732	4,011,684	7,170,334	7,111,687
Office Equipments	8,767,993	8,907,886	6,190,744	296,822	-	-	2,420,320	2,577,249
Others	30,562,152	4,646,108	26,592,654	1,010,064	-	-	7,605,542	3,969,498
Computers	1,366,854,167	92,937,440	958,395,219	62,317,571	2,183,952	1,018,528,838	437,736,124	408,458,948
Total	1,384,411,892	66,029,302	968,825,512	54,912,712	65,343,005	958,395,219	15,015,337	408,458,948

Note : 1. Building include Rs.234277/- being cost of co-ownership flats. (Previous Year Rs.234277/-)
 2. Fixed Assets include assets taken on hire purchase system after 01.04.2001.
 Vehicles Gross Block Rs.9030300/- (Previous Year Rs.8810321/-) and Net Block Rs.6145716/- (Previous Year Rs.7576038/-)
 3. The figures shown above includes figures of discontinuing operations. 4. Details of Minimum Hire Purchase Payments and their Present Value.

	As at 31.03.2013		As at 31.03.2012	
	Min.HP Payment	Present Value	Min.HP Payment	Present Value
a) Not later than one year	1,432,322	1,198,695	1,941,060	1,550,937
b) Not later than one year and not later than five years.	1,669,853	53,682	1,391,002	1,390,093
c) Later than five years	-	-	-	-

ii) Intangible Assets

Reconciliation of the Gross Carrying Amounts and Net Carrying Amounts at the beginning and at the end of the year.

DESCRIPTION OF ASSETS	GROSS BLOCK		AMORTISATION		IMPAIRMENT		NET BLOCK	
	As at 1.04.2012	As at 31.03.2013	Upto 31.03.2012	For the Year	As at 1.04.2012	Reversed during the Year	As at 31.03.2013	As at 31.03.2012
Computer Software - Acquired	60,405	60,405	20,135	20,135	-	-	20,135	40,270
Patents - Acquired	2,030,078	2,030,078	1,621,928	119,369	-	-	288,781	408,150
Technical Knowhow - Acquired	-	21,521,100	-	4,304,220	-	-	17,216,880	-
Total	2,090,483	21,521,100	1,642,063	4,443,724	-	6,085,787	17,525,796	448,420
Previous Year	2,030,078	60,405	1,502,559	139,504	-	-	448,420	-

iii) Capital Work in progress

Op Bal 01.04.2012	Addition	Deduction	CL bal as on 31.03.2013
3,264,901	42,824,704	3,264,901	42,824,704

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	As at 31st March 2013		As at 31st March 2012	
	Rs.	Rs.	Rs.	Rs.
Note : 14 Other Non-Current Assets				
(Unsecured, Considered Good)				
Export Entitlement		11,118,251		8,034,770
Claim Receivable*		4,586,918		2,697,618
Fixed deposits with banks (Non current portion with original maturity period of more than 12 months)				
- As Margin Money with banks		<u>547,683</u>		812,142
Total		<u>16,252,852</u>		<u>11,544,530</u>
* Even though the amount is outstanding for a long period, no provision has been made as the same is considered good for recovery.				
Note : 15 Inventories				
(Valued at lower of cost and net realizable value, unless stated otherwise)				
Raw Materials		66,974,117		57,501,867
Work in Progress				
Wire	5,680,362		11,663,375	
Brass	5,512,030		5,020,301	
Cloth	37,595,579		31,028,302	
Synthetic Cloth	73,450,351		88,365,388	
Dandy Bracket	2,088,943		1,089,993	
Others	<u>3,326,394</u>	127,653,659	<u>83,000</u>	137,250,359
Finished Goods		14,743,893		9,080,716
Stores & Spares		57,739,143		42,351,234
Factory Scrap *		<u>70,344</u>		58,304
Total		<u>267,181,156</u>		<u>246,242,480</u>
* Valued at Net Realisable Value				
Note : 16 Trade Receivables				
(Unsecured, Considered Good)				
Outstanding for a period exceeding six months	35,063,350		34,353,187	
Less: Provision for doubtful debts	<u>304,359</u>		304,359	
	34,758,991		34,048,828	
Others	<u>270,974,054</u>	<u>305,733,045</u>	<u>244,901,705</u>	278,950,533
		<u>305,733,045</u>		<u>278,950,533</u>
NOTE :				
Trade receivables include Rs.31,47,956 (previous year Rs.33,05,406) outstanding since a long period from related parties. However, no provision against the same has been considered necessary. Refer Clause no. 7 of Note no. 29 relating to related parties.				
Note : 17 Cash and bank balances				
Cash and Cash Equivalents				
a) Balances with Banks				
In Current Accounts	8,234,004		19,437,066	
In Fixed Deposits	500,000		12,890,884	
b) Cash on hand	<u>1,464,770</u>	10,198,774	<u>1,019,433</u>	33,347,383
Other bank balances				
Deposits under lien with banks				
Fixed deposits with banks as margin money				
- Current portion of original maturity period more than 3 months but less than 12 months		607,900		—
- Current portion of original maturity period more than 12 months		<u>7,975,142</u>		6,633,116
Total		<u>18,781,816</u>		<u>39,980,499</u>

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	As at 31st March 2013		As at 31st March 2012	
	Rs.	Rs.	Rs.	Rs.
Note : 18 Short Term Loans and Advances				
a) Loans and Advances to Related Parties*		16,094,626		15,921,677
(Unsecured, Considered Good)				
b) Other loans and advances				
(Unsecured, Considered Good)				
Advance to suppliers & others	23,657,219		16,737,924	
Cenvat, Vat and other taxes/duties	11,186,168		11,585,344	
Prepaid Expenses	1,909,486		1,752,648	
Others	5,340,632	42,093,505	3,084,549	33,160,465
Total		58,188,131		49,082,142
* In view of the long outstanding position, no interest income has been accounted for since 2001-2002 in respect of the above. No provision has been made against the same.				
Note : 19 Other Current Assets				
Interest accrued but not due		1,126,074		897,606
Total		1,126,074		897,606
Note : 20 Revenue from operations				
Sale of goods (Gross)				
Wire/Fabric for Pulp, Paper Board Industries	860,594,912		762,899,329	
Copper & Copper Alloy Wires Including Monel Wires	116,697,796		127,496,907	
Dandy Roll & Dandy Bracket	18,436,131		25,075,404	
Others	10,085,011	1,005,813,850	9,909,990	925,381,630
Other operating income				
Export Entitlement	5,776,466		8,717,767	
Scrap Sale*	3,603,561	9,380,027	3,044,816	11,762,583
Revenue from operations (Gross)		1,015,193,877		937,144,213
Less : Excise duty and cess on sale of goods		90,214,478		72,325,114
Revenue from operations (net)		924,979,399		864,819,099
* Net of Excise Duty.				
Note : 21 Other Income				
a) Interest Income		1,770,730		1,858,566
b) Other Non-Operating Income (Net)				
Net gain on foreign currency transactions	6,205,541		7,557,807	
Unspent liabilities/balances written back	3,673,696		2,205,861	
Profit on sale of fixed assets	—		367,415	
Miscellaneous income	1,268,935	11,148,172	655,212	10,786,295
Total		12,918,902		12,644,861
Note : 22 Cost of Materials Consumed				
Raw Materials				
Copper & Copper Alloy Wire		72,328,381		86,126,664
Trivera Wire		113,220,681		69,339,616
Stainless Steel Wire		65,425,659		61,063,831
Strips		5,598,197		5,431,642
Non-Ferrous		24,702,796		7,428,971
Others		7,095,442		8,386,205
Total		288,371,156		237,776,929

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	As at 31st March 2013		As at 31st March 2012	
	Rs.	Rs.	Rs.	Rs.
Note : 23 Changes in Inventories of finished goods, work-in-progress and scrap				
Finished Goods				
Opening Stock	9,080,716		6,303,525	
Less : Closing Stock	14,743,893	(5,663,177)	9,080,716	(2,777,191)
Work in Progress:				
Opening Stock	137,250,359		164,819,427	
Less : Closing Stock	127,653,659	9,596,700	137,250,359	27,569,068
Scrap				
Opening Stock	58,304		262,107	
Less : Closing Stock	70,344	(12,040)	58,304	203,803
Total	3,921,483		24,995,680	

Note : 24 Employees Benefits Expense

Salaries and Wages	149,361,338	135,046,424
Contribution to Provident Fund and Other Fund	9,606,668	8,982,527
Staff welfare Expense	14,383,439	12,491,971
	173,351,445	156,520,922

Note: Salaries and Wages include Rs.3,40,689/- (Previous Year Rs.2,94,529/-) being expenses incurred on Research & Development.

Note : 25 Finance Cost

Interest Expense	31,907,375	33,540,502
	31,907,375	33,540,502

Note : 26 Depreciation and Amortization Expense

Tangible Assets	60,696,109	53,176,186
Intangible Assets	4,443,724	139,504
Total	65,139,833	53,315,690

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	As at 31st March 2013		As at 31st March 2012	
	Rs.	Rs.	Rs.	Rs.
Note : 27 Other Expenses				
Consumption of Stores & Spare parts		51,700,659		48,152,306
Power & Fuel		34,235,769		28,040,193
Rent		4,160,212		3,388,741
Repairs				
Building	1,781,346		816,083	
Machinery	40,877,118		30,862,609	
Others	<u>2,745,051</u>	45,403,515	<u>2,206,729</u>	33,885,421
Insurance		3,808,431		3,170,879
Rates & Taxes		4,693,626		732,968
Travelling & Conveyance		31,549,371		30,347,236
Directors' Fees		546,000		397,000
Payment to Auditors				
As auditor for statutory audit	150,000		150,000	
For tax audit	75,000		85,000	
For other services (Limited reviews & certifications)	60,500		52,500	
For reimbursement of expenses	—	285,500	7,560	295,060
Brokerage & Commission		18,422,853		17,597,483
Legal and Professional Expense		24,363,803		25,499,250
Freight & Forwarding		6,828,240		5,511,562
Compensation		9,946,039		8,966,910
Loss on Sale / Discard of Tangible Assets		393,973		—
Provision for doubtful debts and advances		—		32,191
Sundry Balances Written Off		350,000		2,037,422
Prior Period Expense *		1,860,336		9,469,686
Miscellaneous Expenses		37,349,818		32,573,399
		<u>275,898,145</u>		<u>250,097,707</u>
* Prior period expense includes				
Contribution to Gratuity Fund	—		7,545,461	
Legal & Professional Fees	783,991		460,000	
Vehicle Expenses	36,491		11,520	
Rates & Taxes	—		113,143	
DEPB License	767,894		964,604	
Others	<u>271,960</u>	1,860,336	<u>374,958</u>	9,469,686
Note : 28 Earnings per share				
Profit/ (Loss) after taxation as per Statement of Profit and Loss from Continuing Operations		99308864		130,787,514
Profit/ (Loss) after taxation as per Statement of Profit and Loss from Total Operations		90730485		119,509,142
Weighted average number of equity shares outstanding		31,655,123		12,625,751
Basic and diluted Earnings per Share (in Rupees)				
Including Extraordinary Items				
Profit/ (Loss) after taxation as per Statement of Profit and Loss from Continuing Operations		3.14		10.36
Profit/ (Loss) after taxation as per Statement of Profit and Loss from Total Operations		2.87		9.47
(Face value - Rs.2/- per Share)				

	As at 31st March 2013		As at 31st March 2012	
	Rs.	Rs.	Rs.	Rs.
Note : 29 Other Disclosures				
1. Contingent Liabilities and Commitments				
(To the extent not provided for)				
i) Contingent Liabilities				
(a) Claims against the company not acknowledged as debt		9,008,000		12,200,831
(b) Guarantees		7,705,344		7,415,258
(c) Sale Tax Demands*	211,743,068		211,368,516	
(d) Excise Demands	193,516,528		193,611,551	
(e) Municipal Tax Demands	1,857,305		1,168,750	
(f) Non fulfilment of Export Obligation under DEEC Scheme	57,324,691		57,324,691	
(g) Non fulfilment of Export Obligation under ISIL Scheme	3,399,219	467,840,811	6,590,672	470,064,180
Total		484,554,155		489,680,269

*Against the Sales Tax demand, am sum amounting to Rs.28,41,995/- has been paid under protest and against the excise demand, Rs.22,50,000/- has been paid and disclsd under "Duties and Taxes paid under Protest".

ii) Commitments.

a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for.		43,024,083		58,396,355
b) Advance paid against above		3,293,053		29,005,323

Note:

- The above contingent liability in respect of Sales Tax includes an amount of Rs.1,79,166,738/- (Previous Year Rs.1,79,166,738/-) being tax demand by the Sales Tax Authorities on sale of synthetic fabric manufactured by the Company for the year 1993-94,1995-96 to 2004-05 consequent upon the treatment of such fabric as a taxable item which the Company claims to be non-taxable. The Company's appeal in respect of the aforesaid demand is pending before various authorities. In respect of demand for disputed Sales Tax on Synthetic for Rs.78,061,140/- for the year 1993-94,1995-96,1997-98,1999-2000 and 2003-04,orders in favour of the Company have been issued by W.B.Commercial Taxes Appellate and Revision Board, Sr.Joint Commissioner as well as Hon'ble High Court of Kolkata. The Sales Tax department is yet to issue revised orders and has not yet filed review petition before the Hon'ble Apex Court.
Proceedings have also been initiated by the Sales Tax authorities to re-open assesment in respect of certain other years, though no demand has been raised by the Department in respect of above years. The company is contesting the same and has been legally adviced that the above is not taxable.
- The above Contingent Liabilities for Excise Demands includes demands made by Central Excise Authorities from time to time on some alleged intermediate product (Grey Fabric) of Synthetic Wire Cloth for the following periods - From September' 1987 to June' 1997 Rs.36,362,543 /- and from Apirl' 1992 to March'2011 Rs.1,55,423,818/-. The Company is cotesting the same before CESTAT and Supreme Court simulteneoysly and has been legally advised that no duty is payable on the same intermediate product.
- The Contingent Liabilities representing dues to various Government Authorities as stated in (i) (a) to (i) (c) above have been arrived at after considering the reliefs granted by BIFR vides its Order dated 10.06.2010. however, the figure for fulfilment of export obligation under ISIL does not include interest / penalty, demand etc.amounting to Rs.34398564 /- as the export obligation has been extended by the appropriate authority vide Order no.01/94/180/142/AM11/PC-4/606 dated 02.07.2010 for certain years as according to the Company obligations of the same have been extended and is pending for fulfilment. An amount of Rs.11118251/-(Previous year Rs.8034770/-) has been deposited with the customs authorities against the contingent liability in respect of non fulfilment of export obligation under DEEC scheme.

SHALIMAR WIRES INDUSTRIES LIMITED

	As at 31st March 2013		As at 31st March 2012	
	Rs.	Rs.	Rs.	Rs.
2. a) The aggregate, if material, of any amounts set aside to provisions made for meeting specific liabilities, contingencies or commitments.				
Contingencies		<u>350,000</u>		<u>350,000</u>
Total		<u>350,000</u>		<u>350,000</u>
Note: The above contingencies Rs.3.50 lakhs (Previous Year Rs.3.50 lakhs) is dependent upon Court decision / out of Court Settlement / Disposal of appeals, etc.				
3. a) Value of imports calculated on C.I.F basis by the company during the financial year in respect of -				
I. Raw Materials		210,869,107		179,612,713
II. Components and Spare Parts		19,047,495		19,084,363
III. Capital Goods		60,944,420		34,718,019
b) Expenditure in Foreign Currency during the financial year:				
I. Travelling		4,226,798		4,231,266
II. Commission to Selling Agents		15,626,754		16,657,449
III. Others		—		449,693
c) Total value of Imported and Indigenous materials consumed:				
I. Raw Material				
Imported		214,585,842		172,715,922
Indigenous		73,785,315		65,061,007
Total		<u>288,371,157</u>		<u>237,776,929</u>
II. Spare Parts and Components				
Imported		5,303,007		5,214,751
Indigenous		46,397,652		42,937,555
Total		<u>51,700,659</u>		<u>48,152,306</u>
d) Earnings in Foreign Exchange.				
I. Export of Goods calculated on F.O.B. Basis.		219,456,146		188,243,661
4	Amounts due in respect of Trade receivables, Loans & advance given which are considered good and the amounts due to parties are subject to confirmation from the respective parties.			
5	Debenture Redemption Reserve has not been created during the year in view of brought forward loss.			
6	No provision for taxation has been made in the accounts in view of carry forward loss. Also Minimum Alternate Tax (MAT) provision has not been made since this is not applicable as the Company is a Sick Industrial Company.			
7	Related Party Disclosures under Accounting Standard-18 :			
(a)	Key Management Personnel :			
	Mr. Sunil Kumar Khaitan			
(b)	Relatives of Key Management Personnel :			
	Mr. Vedant Khaitan (Son of Mr.Sunil Kumar Khaitan)			
(c)	Enterprises over which key management personnel and their relatives are able to exercise significant influence:			
	Sunil Healthcare Limited *			
	Shalimar Industries Limited *			
	Anil Special Steel Industries Ltd. *			

SHALIMAR WIRES INDUSTRIES LIMITED

Details of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2013:

Transactions with Related Parties	Enterprises over which significant Influence exists		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Remuneration								
Mr. Sunil Kumar Khaitan	—	—	3,664,538	3,608,000	—	—	3,664,538	3,608,000
Salary & Other Perquisites								
Mr. Vedant Khaitan	—	—	—	—	499,026	—	499,026	—
Balance Outstanding								
Inter Corporate Deposit receivable								
Anil Special Steel Industries Ltd.*	15,589,477	15,589,477	—	—	—	—	15,589,477	15,589,477
Shalimar Industries Limited*	332,200	332,200	—	—	—	—	332,200	332,200
Accounts Receivable:								
Anil Special Steel Industries Ltd.*	2,702,505	2,875,455	—	—	—	—	2,702,505	2,875,455
Shalimar Industries Limited*	445,451	429,951	—	—	—	—	445,451	429,951
Accounts Payables:								
Mr. Sunil Kumar Khaitan	—	—	2,533,207	2,424,032	—	—	2,533,207	2,424,032
Mr. Vedant Khaitan	—	—	—	—	59,580	—	59,580	—
Shalimar Industries Limited*	—	13,537	—	—	—	—	—	13,537
Sunil Healthcare Limited*	—	153,322	—	—	—	—	—	153,322

NOTES :

- a) An amount of Rs.1,67,017/-(Previous year - Nil) has been written back during the year in respect of due to related parties.
 - b) No amount has been written off during the year in respect of due from related parties.
 - c) No provision for doubtful debts in respect of dues from related parties"has been made."
- * Ceased to be related party w.e.f. 01.04.2012

8. The accumulated losses of the Company exceeded its net worth and the Company was declared as Sick Industrial Company as per the Sick Industrial Companies (Special Provision) Act, 1985 by the Board of Industrial and Financial Reconstruction (BIFR) vide its order dated 30.01.2006. The said Board has accorded its approval as conveyed vide its Order dated 10.06.2010 to the Draft Rehabilitation Scheme (DRS) submitted by the Company and which was received the Company on 24.06.2010 the effect of the above has been duly given in the accounts.

SHALIMAR WIRES INDUSTRIES LIMITED

9. Discontinued Operation:

- a) The Company has discontinued its Nasik Unit from 2nd July' 2003 onwards. The results of the discontinued business during the year were as under :

PARTICULARS	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Rs.	Rs.	Rs.	Rs.
(Amount in Rs.)				
Expenses:				
Employees Benefits	1,376,263		1,248,730	
Depreciation and Amortisation	1,621,462		1,736,526	
Other Expenses	<u>5,594,349</u>		<u>8,793,116</u>	
Total Expenses		8,592,074		11,778,372
Loss before tax from ordinary activities		(8,592,074)		(11,778,372)
Add : Gain on disposal of assets / settlement of liabilities attributable to Discontinuing operation		13,695		500,000
Profit / (Loss) from discontinuing operations after tax		(8,578,379)		(11,278,372)
Carrying amount of the total assets relating to discontinuing operations to be disposed off		51,090,754		49,735,799
Carrying amount of the total liabilities relating to discontinuing operations to be settled		84,999,273		85,398,724
Net cash flow attributable to the discontinued operation				
Cash inflows / (outflow) from operating activities		93,117		22,256,701
Cash inflows / (outflow) from investing activities		—		4,708,026
Cash inflows / (outflow) from financing activities		(92,990)		(26,964,852)

- b) As per the demerger order passed by the Hon'ble Calcutta High Court long back the Company is liable to pay stamp duty under Bombay Stamp Act, 1958 for registration of its immovable properties located in Maharashtra and accordingly has made estimated provision of Rs.210.32 lakhs on account of stamp duty. Pursuant to the said order, Rs.210.32 lakhs is receivable from Jhagadia Copper Ltd (Formerly SWIL Ltd) which will be accounted for as and when received.
- c) The above operation has been disclosed under "Strip & Wires" business segment.
- d) The discontinuance is expected to be completed within 1 Year.

10 Segment Reporting Disclosures under Accounting Standard-17 :

Based on the guiding principles given in Accounting Standard 17 'Segment Reporting' , the Company's primary business segments are

- (a) Paper Mill Product and (b) Strip & Wire.

Segment wise Revenue, Results and Capital Employed for the year ended 31st March, 2013 :

A. Primary Segment

Particulars	Paper Mill Product	Strip & Wire	Others	Unallocable	Total
Gross Sales	889,464,060	116,349,791	—	—	1,005,813,851
	(797,884,723)	(127,496,907)	(-)	(-)	(925,381,630)
Less : Inter Segment Sales	—	—	—	—	—
	—	—	(-)	(-)	—
External Sales	889,464,060	116,349,791	—	—	1,005,813,851
	(797,884,723)	(127,496,907)	(-)	(-)	(925,381,630)
Less : Excise Duty & Cess on External Sales	80,486,090	9,728,388	—	—	90,214,478
	(61,166,936)	(11,158,178)	—	—	(72,325,114)
Net Sales	808,977,970	106,621,403	—	—	915,599,373
	(736,717,787)	(116,338,729)	(-)	(-)	(853,056,516)

SHALIMAR WIRES INDUSTRIES LIMITED

Particulars	Paper Mill Product	Strip & Wire	Others	Unallocable	Total
Add : Allocable Other Income	19,406,914	2,892,015	—	—	22,298,929
	(23,874,147)	(1,033,298)	(—)	(—)	(24,907,445)
Total Revenue	828,384,884	109,513,418	—	—	937,898,302
	(760,591,934)	(117,372,027)	(—)	(—)	(877,963,961)
Result					
Segment Result	160,106,510	-37,259,863	-208,787	—	122,637,860
	(180,341,605)	(-)(36,632,427)	(-)(230,518)	—	(143,478,660)
Less:					
Unallocable Expenditure				—	—
Net of Unallocable Income				—	—
Interest & Other Financial Charges				31,907,375	31,907,375
				(33,540,502)	(33,540,502)
Profit Before Tax					90,730,485
					(109,938,158)
Tax					
Current Tax (Including Wealth Tax)					—
Deferred Tax					—
					(-) (9570984)
Profit After Tax					90,730,485
					(119,509,142)
Other Information					
Segment Assets	1,058,599,330	129,510,479	—	53,629,936	1,241,739,745
	(917,779,958)	(132,713,538)	—	(89,392,305)	(1,139,885,801)
Segment Liabilities	285,295,870	105,057,307	—	137,991,909	528,345,086
	(129,112,575)	(107,200,607)	—	(27,120,536)	(263,433,718)
Capital Expenditure	134,983,752	—	—	—	134,983,752
	(66,014,989)	—	—	—	(66,014,989)
Depreciation and Amortisation	56,681,780	5,735,739	—	—	62,417,519
	(47,629,478)	(7,422,738)	—	—	(55,052,216)
Non cash expenses other than	—	—	—	—	—
Depreciation and Amortisation	(32,191)	—	—	—	(32,191)

B. Secondary Segment

Geographical distribution of segment revenues

Products	Paper Mill (Rs.)	Strip & Wire (Rs.)	Others (Rs.)	Total (Rs.)
1. India	716,581,396	92,413,131	—	808,994,527
	(645,037,467)	(117,007,946)	—	(762,045,413)
2. European Continent	—	24,000,444	—	24,000,444
	(543,518)	(8,939,320)	—	(9,482,838)
3. African Continent	5,475,525	—	—	5,475,525
	(3,588,035)	—	—	(3,588,035)
4. U.S.A.	—	—	—	—
	(1,695,858)	—	—	(1,695,858)
5. South American Continent	—	—	—	—
	—	—	—	—
6. Other Asian Countries	186,814,053	2,828,231	—	189,642,284
	(170,893,992)	(2,582,938)	—	(173,476,930)
Total	908,870,974	119,241,806	—	1,028,112,780
	(821,758,870)	(128,530,204)	—	(950,289,074)

Note :

a) The Company has disclosed business segment as the primary segment.

SHALIMAR WIRES INDUSTRIES LIMITED

- b) Transactions between segments are for materials which are transferred at cost.
- c) Segment revenue and expense include items directly attributable to the segment and common costs, apportioned on a reasonable basis.
They do not include investment income, interest income from Inter-corporate deposits and loans given, dividend income and interest expense.
- d) All Segment assets and liabilities are directly attributable to the segment.
Segment assets include all operating assets used by the segment and consists principally of net fixed assets, inventories, sundry debtors, loans and advances and operating cash and bank balances. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include investments, loans given, interest accrued and due/ but not due, share capital, reserves and surplus and loans.
- e) Fixed Assets used in Company's business or liabilities contracted have not been identified to any of the reportable geographical segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

11 Disclosure in terms of Accounting Stanadrd-29

- (a) Movement for Provision for Liabilities:

Particulars	(Rs.)
	Legal Cases
Balance as at 1st April,2012	350,000
Provided During the period	—
Amount used during the period	—
Reversed during the period	—
Balance as at 31st March,2013	350,000
Timing of outflow/uncertainties	Outflow on settlement/ Crystallization

- (c) No reimbursement is expected in the case of Contingent Liabilities.

12 Employees Benfits under Accounting Standard-15:

	2012-2013 (Rs.)	2011-2012 (Rs.)
As per Accounting Standard - 15 " Employee Benefits", the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:		
Defined Contribution Plan :		
Employee benefits in the form of Providend Fund, Superannuation Fund, Employee State Insurance Scheme and Labour Welfare Fund are considered as defined contribution plan except that Providend Fund in respect of certain employees is contributed to a fund set up by the Company which is treated as a Defined Benefit Plan since the Company has to meet the interest shortfall.		
The contributions to the funds are made in accordance with the relevant statute and are recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to Defined Contribution Plan, recognized as expense for the year are as under:		
Defined Contribution Plan		
Employer's Contribution to Providend Fund	9,606,668	8,982,527
Employer's Contribution to Employee State Insurance Scheme	3,296,861	3,111,742
Employer's Contribution to Labour Welfare Fund	10,164	10,371

SHALIMAR WIRES INDUSTRIES LIMITED

Change in fair value of Plan Assets during the year :

	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	12-13	11-12	12-13	11-12	12-13	11-12
Plan Assets at the beginning of the year	48.22	48.04	69.12	68.44	—	—
Expected Return on Plan Assets	—	—	5.67	5.50	—	—
Actual Company Contribution	0.03	0.18	21.85	25.82	20.98	21.15
Benefits Paid	—	—	(39.82)	(31.38)	(20.98)	(21.15)
Acturial (gain)/loss	—	—	0.13	0.74	—	—
Plan Assets at the end of the year	48.25	48.22	56.95	69.12	—	—

Net Asset/(Liability) recognized in the Balance Sheet as at the year end :

	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	12-13	11-12	12-13	11-12	12-13	11-12
Present value of Defined Benefit Obligation	48.25	48.22	326.20	300.21	122.43	128.11
Fair Value on Plan Assets	—	—	56.95	69.12	—	—
Funded Status [Surplus/(Deficit)]	—	—	(269.25)	(231.09)	(122.43)	(128.11)
Net Asset/(Liability) recognized in Balance Sheet	(48.25)	(48.04)	(269.25)	(231.09)	(122.43)	(128.11)

Acturial Assumptions:

	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	12-13	11-12	12-13	11-12	12-13	11-12
Discount Rate (% p.a.)	—	—	8.25	8.00	8.25/8.25	8.00 / 7.50
Expected rate of return on Plan Assets(per annum)	—	—	N.A.	N.A.	N.A.	N.A.
Expected Rate of Salary increase %	—	—	5.00	5.00	5.00 / 7.00	5.00 / 7.00
Retirement/Superannuation Age (Years)	—	—	58.00	58.00	58.00	58.00
Mortality Rates	—	—	LIC (1994-96) ultimate Mortality Rates	LIC (1994-96) ultimate Mortality Rates	LIC (1994-96) ultimate Mortality Rates	LIC (1994-96) ultimate Mortality Rates

Major Category of Plan Assets as a % of the Total Plan Assets as at year end:

	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	12-13	11-12	12-13	11-12	12-13	11-12
	—	—	N.A.	N.A.	—	—

Experience Adjustments:

	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	12-13	11-12	12-13	11-12	12-13	11-12
Defined Benefit Obligation	—	—	—	326.20	300.21	281.48
Plan Assets	—	—	—	56.95	69.12	68.44
Funded Status	—	—	—	(269.25)	(231.09)	(213.04)
Experience Gain/(Loss) adjustments on Plan Liabilities	—	—	—	(15.91)	(6.21)	(4.76)
Experience Gain/(Loss) adjustments on Plan Assets	—	—	—	0.13	0.74	0.40

	Leave Encashment		
	Funded		
	12-13	11-12	12-13
Defined Benefit Obligation	122.43	128.11	99.99
Plan Assets	—	—	—
Funded Status	(122.43)	(128.11)	(99.99)
Experience Gain/(Loss) adjustments on Plan Liabilities	(2.92)	(17.58)	(22.11)
Experience Gain/(Loss) adjustments on Plan Assets	—	—	—

Expected Employer's Contribution for the next year:

	Gratuity		Leave Encashment	
	Funded	Unfunded	Funded	
	12-13	11-12	12-13	11-12
Expected Employer's Contribution for the next year	—	—	50	16

Basis used to determine the expected Rate of return on Plan Assets:

The basis used to determine the expected rate of return on Plan Assets is Deep Discount Interest rate of R.B.I. or average interest rate of R.B.I. Long Term Instrument.

Other disclosures:

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Gratuity expenses have been recognized in "Contribution to Provident & Other Funds" and Leave Encashment in "Salaries/ Wages and Bonus" under Note No 2.24.

The amount of the present value of obligations, fair value of Plan Assets, surplus/deficit in the plan and experience adjustment arising on plan liabilities and plan assets for the previous two annual periods are not available and therefore, not disclosed.

- 13 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Report of even date attached

For **G. P. AGRAWAL & CO.**

Chartered Accountants

FR No. 302082E

CA Sourav Choudhary

Membership No. 300768

Partner

Kolkata, 20th May, 2013

For **S. S. KOTHARI & CO.**

Chartered Accountants

FR No. 302034E

CA A. Datta

Membership No. 5634

Partner

Kolkata, 20th May, 2013

S. J. Sengupta

Sr. V. P. & (CFO)

S. K. Kejriwal

Company Secretary

Sunil Khaitan

Managing Director

Dipak Dasgupta

Director

Shalimar Wires Industries Limited

Regd. Office : 25, Ganesh Chandra Avenue
Kolkata - 700 013

Dear Members,

Sub : Green Initiative in Corporate Governance

As you are aware that the Ministry of Corporate Affairs (MCA) vide their Circular No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has taken a "Green Initiative" by allowing paperless compliances by Companies to serve the requisite documents to its Members through electronic mode in compliance with Section 53 of the Companies Act, 1956.

Accordingly, we are updating the database of our shareholders holding shares in physical mode by incorporating their designated e-mail address in our records. You are requested to kindly register your e-mail address by filling up and signing at proper place in the E-mail Address Update Form given below and forward the same to our Registrar and Transfer Agents, M/s. Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd Floor, Kolkata - 700001, West Bengal, India.

Please note that in respect of those shareholders who are holding shares in electronic form and who have not yet registered their e-mail address or who wish to change their existing e-mail addresses are requested to submit their e-mail addresses with their Depository Participants.

For those shareholders who have already registered their e-mail ID with their Depository Participants we shall send all documents/communications at their registered mail address unless a specific request for receiving the documents/communications in physical form is received from them.



E-MAIL ADDRESS UPDATE FORM

M/s. Maheshwari Datamatics Private Limited
Unit : Shalimar Wires Industries Limited
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
West Bengal, India

In view of the circulars no. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011 issued by The Ministry of Corporate Affairs, I/We _____ son/daughter/wife _____ of Sri _____ holding _____ Equity Shares of Shalimar Wires Industries Limited under my/our Registered Folio No(s) _____ do hereby accord my/our consent to receive all future communication/documents from the Company at my/our e-mail address given below :

E-mail address : _____

Signature of the Shareholder(s)

ATTENDANCE SLIP

Shalimar Wires Industries Limited

Regd. Office : 25, Ganesh Chandra Avenue
Kolkata - 700 013

17th ANNUAL GENERAL MEETING

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL

I hereby record my presence at the 17th ANNUAL GENERAL MEETING of the Company at Science City Mini Auditorium, J.B.S. Haldane Avenue, Kolkata - 700 046, on Monday, the 23rd September, 2013 at 10.00 a.m.

Regd. Folio/ DP ID No.		
	Full Name of the Shareholder (In Block Letters)	
		Signature
	Full Name of the Proxy (In Block Letters)	
		Signature

FORM OF PROXY

Shalimar Wires Industries Limited

Regd. Office : 25, Ganesh Chandra Avenue
Kolkata - 700 013

I/We

of

being a member/members of Shalimar Wires Industries Limited, hereby appoint

of or failing him

of or failing him

of as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the 17th ANNUAL GENERAL MEETING of the Company at Science City Mini Auditorium, J.B.S. Haldane Avenue, Kolkata - 700 046, on Monday, the 23rd September, 2013 at 10.00 a.m. and at any adjournment thereof.

Signed this.....day of.....2013

Signature.....

Affix
Revenue
Stamp

Regd. Folio/DP ID No.

Notes :

- a) The Proxy must be deposited at the Registered Office of the Company at 25, Ganesh Chandra Avenue, Kolkata - 700 013 not less than 48 hours before the time fixed for holding the meeting.
- b) Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

BOOK POST

If undelivered please return to :
SHALIMAR WIRES INDUSTRIES LTD.
25, Ganesh Chandra Avenue
Kolkata - 700 013