



Shalimar

Wires Industries Limited

**15th ANNUAL REPORT
2010-2011**

Our beloved Founder Chairman



Sri S. N. Khaitan
(1922 - 1999)

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

***H**e lives in the hearts of tomorrow.*

Board of Directors

Chairman & Managing Director

SUNIL KHAITAN

Directors

B. DASGUPTA (Nominee Director representing IDBI)
SATISH KUMAR GUPTA (Nominee Director representing ARCIL)
DIPAK DASGUPTA
DIPAK RUDRA
P. K. SARKAR
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.
L. P. Agarwalla & 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 15th 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 Friday, the 30th September, 2011 at 10.00 A.M. to transact the following business :

1. To consider and adopt the Profit & Loss Account of the Company or the financial year ended 31st March, 2011 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 appoint Joint 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 and Messrs G. P. Agarwal & Co., Chartered Accountants, Kolkata, the retiring Auditors, be and are hereby re-appointed as Joint 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.

SPECIAL BUSINESS

To consider and if thought fit to pass, with or without modification, the following resolutions :

As an Ordinary Resolution

4. "RESOLVED THAT in accordance with the provisions of Section 257 of the Companies Act, 1956, Mr. P. K. Sarkar, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 125 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company."

As a Special Resolution

5. "RESOLVED THAT pursuant to the provisions of Sections 198,269,309 and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) read with Schedule XIII thereto and subject to approval, if any, of the Central Govt., consent of the Company be and is hereby accorded to the appointment of Mr. Sunil Khaitan as the Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2011 on the terms and conditions including remuneration set out in the Explanatory Statement and that the Board be and is hereby authorized to enter into a formal agreement for this purpose."

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office :
25, Ganesh Chandra Avenue
Kolkata - 700 013
The 2nd August, 2011

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 23.09.2011 to 30.09.2011 (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 Datamatics Pvt. Ltd., by post or e-mail. Members holdings 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 website i.e. www.shalimarwires.com.
8. Reduction of face value of the equity shares of the Company was carried out in the year 2010. Members still holding old share certificate (s) are requested to surrender the same and obtain fresh certificate (s) in lieu thereof.
9. Members who are holding 14% Partly Convertible Debentures of Rs.30/- each and not yet surrendered their debentures certificate (s) are once again requested to surrender the same to the company at its Registered Office at 25 Ganesh Chandra Avenue, Kolkata- 700 013.
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 in **ANNEXURE**.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE CONVENING NOTICE

Item No. 4

Mr. P. K. Sarkar was appointed as an Additional Director of the Company with effect from 2nd August, 2011. Pursuant to Section 260 of the Companies Act, 1956, read with Article 125 of the Articles of Association of the Company has received due notice under section 257 (1) of the Companies act, 1956 from a member signifying his intention to propose Mr. Sarkar for appointment as Director at the ensuing Annual General Meeting of the Company.

Mr. P. K. Sarkar has vast experience in Banking sector and your Board of Directors feels that his appointment will be highly beneficial to the Company and recommends the adoption of the resolution proposed under item No. 4 of the Notice.

None of the Directors of the Company other than Mr. P. K. Sarkar, are concerned or interested in the proposed resolution.

Item No. 5

The Remuneration Committee and the Board of Directors of the Company at its meeting held on 14th May, 2011 have, subject to the approval of the members and subject to such other approvals as may be required, appointed Mr. Sunil Khaitan as Managing Director of the Company for a period of 3 (three) years commencing from 1st April, 2011 on the following terms and conditions :

1. Salary at the rate of Rs. 1,85,000/- (Rupees One Lac Eighty five thousand) per month i.e. Rs. 22,20,000/- (Rupees Twenty Lacs Twenty thousand) per annum. In addition to the Salary, Mr. Khaitan shall also be entitled to get the following benefit :
 - a. To the perquisites/benefits like furnished accommodation/house rent allowances, gas, electricity, furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance etc. as per rules of the company.
 Perquisites/benefits will be evaluated at actual cost, and will not exceed Rs. 1,65,000/- p.m. i.e. Rs. 19,80,000/- per annum including reimbursement of expenses like Motor Car, telephones etc.
 Total remuneration including perquisite/benefits and reimbursement of expenses shall not exceed Rs.3,50,000/- p.m. or Rs.42,00,000/- per annum.
 However, in computation of the aforesaid remuneration, the following perquisites shall not be included :
 - i) contribution to provident fund or superannuation fund to the extent these are wither singly or put together not taxable under the Income Tax Act, 1961;
 - ii) gratuity payable at a rate not exceeding half month's salary for each completed year of services; and
 - iii) en-cashment of leave at the end of the tenure.
 - b. Mr. Khaitan shall also been titled to earned/privilege leave on full pay and allowances as per rules of the Company but not exceeding one month's leave for every eleven months service under the Company provided that leave accumulated but not availed of will be allowed to be en-cashed in accordance with the rules of the Company.

SHALIMAR WIRES INDUSTRIES LIMITED

2. Mr. Sunil Khaitan shall not so long as he functions as the Managing Director of the Company be entitled to receive any fee for attending any of the Board or a Committee thereof.
3. The appointment of Managing Director may be terminated by either party to the Agreement by giving to the other three months notice in writing in which event Mr. Sunil Khaitan shall be entitled to receive his remuneration hereunder up to the expiration of such notice.

Mr. Sunil Khaitan aged 52 years a Commerce Graduate and has more than 27 years of experience in the Industry. During the period Mr. Khaitan shall faithfully and diligently serve the Company and shall devote his attention and ability to the business and affairs of the Company and shall perform the duties and exercise the powers, which may from time to time be assigned or vested in him by the board of directors of the Company.

The remuneration proposed to be paid to Mr. Sunil Khaitan is justified having regard to the nature of services required from him. Mr. Sunil Khaitan is also the Director of Shalimar Industries Ltd. and Reliance Sheet Works Pvt. Ltd.

Mr. Sunil Khaitan may be deemed to be concerned or interested in the resolution to the extent of the remuneration payable to him No other Directors is concerned or interested in the proposed resolution.

The Board recommends the adoption of the resolution.

GENERAL INFORMATION : (As required under Section II (B) of Part II of Schedule XIII of the Companies Act, 1956)

1. **Nature of Industry**

Manufacturer of Metal Wire Cloths, Synthetic Woven Fabrics, Dandy Roll and Accessories, EDM Wires used in Paper, Pulp & Board Industry and tool room industry etc.

2. **Date or expected date of commencement of commercial production**

Not applicable

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

Not Applicable

4. **Financial performance based on given indicators**

(Rs. in crores)

Financial Parameters	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
Sales and other Income (Net of Exise)	85.66	78.63	75.01	69.55	69.24
Operating profit before interest, depreciation and provisions	22.12	22.60	24.02	21.42	20.71
Net Profit	11.94	0.56	(21.75)	(34.94)	(29.88)

5. **Export performance and net foreign exchange earning**

(Rs. in lacs)

	2010-2011	2009-2010	2008-2009	2007- 2008	2006-2007
Export	1709.53	1887.80	1657.27	1026.21	1171.70
Net Foreign Exchange Earning	(10.34)	(78.91)	(134.69)	(526.06)	(581.59)

6. **Foreign investments of collaboration, if any.**

NIL

INFORMATION ABOUT THE MANAGING DIRECTOR

(1) **Background details**

As given in the Explanatory Statement

(2) **Past remuneration**

	2010-2011	2009-2010
Salary	1800000	1800000
Commission/Perquisites	912000	410142
Total	2712000	2210142

(3) **Recognition of awards**

As given in the Explanatory Statement

(4) **Job profile and his suitability**

As given in the Explanatory Statement

(5) **Remuneration proposed**

As given in the Explanatory Statement

(6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)**

Looking into the market scenario, industry standard, size of the company and Mr. Sunil Khaitan being responsible for the overall affairs of the Company and also efforts put in for the revival of the Company, the remuneration recommended by the Board of Directors are within the industry norms.

(7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

There is no pecuniary relationship directly or indirectly with the company of the person to be appointed.

III. Other Information :

(1) **Reason of loss or inadequate profits**

The Company is having huge carry forward losses due to high borrowing cost and losses incurred by its closed Nasik Unit in the earlier years. Although the financial results of the Company for the year 2010-2011 shows profit, considering the carry forward losses (calculated u/s. 198 of the Companies Act, 1956) the net figures shows loss.

(2) **Steps taken or proposed to be taken for improvement**

- The Company have already closed down its Nasik unit
- The Company is concentrating on Uttarpara Unit and already undertaken modernization and diversification project.
- BIFR vide its order dated 10th June, 2010 has approved the Rehabilitation Scheme and the same is under implementation. The Company is hopeful that the performance of the Company will improve considerably in coming years once the Scheme is fully implemented.

(3) **Expected increase in productivity and profits in measurable terms :**

The Company have already undertaken massive project for modernization and diversification of Uttarpara unit, which will result in increased productivity and profitability in coming years.

IV. Disclosures :

(1) *The Shareholders of the Company shall be informed of the remuneration package of the managerial person*

Yes, this information has been detailed out in the notice and explanatory statement attached herewith to the resolution.

(2) *The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report :-*

(i) *All elements of remuneration package such as salary, benefits, bonuses, stock option, pension etc. of all the directors.*

All the directors other than person to be appointed are non-executive directors and are not paid any remuneration other than sitting fees for attending Board/Committee meeting.

(ii) *Details of fixed components and performance linked incentives along with the performance criteria.*

Not Applicable

(iii) *Service contracts, notice period, severance fees.*

As given in the Explanatory Statement

(iv) *Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.*

NIL

SHALIMAR WIRES INDUSTRIES LIMITED

ANNEXURE

Particulars Relating to Directors proposed to be appointed/re-appointed

Name of Directors	Mr. Dipak Dasgupta	Mr. Pradeep Kumar Sarkar
Date of Birth	05.08.1937	19.04.1941
Date of Appointment/ Reappointment	27.07.2002	02.08.2011
Nature of 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>Mr. P.K. Sarkar has almost 40 years experience in banking operations (developmental, commercial, international) and merchant banking, HRM, Securities Market etc.</p> <p>Mr. Sarkar has held several positions in State Bank of India since 1969. Mr. Sarkar was Dy. Managing Director & Group Executive (International Banking) from February, 2000 to November, 2001 and was head of International Banking Operations of State Bank of India as well as Head of Treasury Operations and Financial Control.</p> <p>Mr. Sarkar was the Executive Director of Calcutta Stock Exchange from February 2002 to March, 2003 and was in overall control and management of the Stock Exchange and was specially appointed to revamp the systems post 2002 financial irregularities.</p> <p>Mr. Sarkar was also Banking Ombudsman for West Bengal and Sikkim, Reserve Bank of India from February, 2004 to November, 2006 and was involved in resolution of grievances against deficiency in banking service.</p>
Qualification	B. Com, MBA	M.A. (English) Certified Associate, Indian Institute of Bankers

SHALIMAR WIRES INDUSTRIES LIMITED

Name of Directors	Mr. Dipak Dasgupta	Mr. Pradeep Kumar Sarkar
List of outside directorship	(1) Rainbow Productions Ltd. (2) Shalimar Industries Ltd. (3) Satya Sons Services Ltd. (4) Satmaco Marchandise Pvt. Ltd. (5) Keystone Marketing India (P) Ltd.	(1) GTFS Multi Services Ltd. (2) GTFS Training Services Ltd. (3) Bengal Integrated Auto Industrial Park Pvt Ltd. (4) Luxmi Portfolio Ltd. (5) Abira Green Energy Pvt Ltd. (6) Guinness Securities Ltd. (7) Jagaran Microfinance Ltd.
Chairman/member of the Committee of the Board of Directors of the Co.	Member Audit Committee Investors Grievance Committee	Member Audit Committee Investors Grievance Committee Remuneration Committee
No. of equity shares held in the Company	NIL	NIL

Registered Office :
 25, Ganesh Chandra Avenue
 Kolkata - 700 013
 The 2nd August, 2011

By Order of the Board

S. K. Kejriwal
Company Secretary

SHALIMAR WIRES INDUSTRIES LIMITED

DIRECTORS' REPORT

To The Members

Your Directors have pleasure in presenting the 15th Annual Report on the working of the Company together with the audited accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

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

	2010-2011 (Rs. in lacs)	2009-2010 (Rs. in lacs)
Sales & Other Income (Net of excise and write off)	8565.61	7862.58
Operating Surplus	2212.36	2259.44
Less : Interest (Net)	432.58	1038.43
Less : Depreciation	585.98	636.59
Less: Loss on sale of Plant and Machinery (Nasik unit)	—	528.08
Net Profit before adjustment	1193.80	56.34
Add: Write back on account of BIFR Scheme (exceptional item)	4667.69	1990.46
Profit before Tax	5861.49	2046.80
Less : Provision for taxation	—	—
Net Profit for the year	5861.49	2046.80

OPERATIONAL REVIEW

During the year under review, the total income of the Company amounted to Rs.8565.61 lacs as compared to Rs.7862.58 lacs in the previous year. The operating surplus (profit before interest and depreciation) of the Company was Rs. 2212.36 lacs as compared to Rs. 2259.44 lacs in the previous year. The net profit (before considering exceptional item) during the year is Rs. 1193.80 lacs as compared to Rs 56.34 lacs in the previous year. The Company has accounted for relief and concession granted by BIFR in terms of Rehabilitation Scheme of Rs.4667.69 lacs in the current year, as compared to Rs. 1990.46 lacs in the previous year. The net profit (after aforesaid adjustment) during the year amounted to Rs. 5861.49 lacs, as compared to Rs. 2046.80 lacs in the previous year.

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 during the year under review is Rs. 1709.53 lacs, as compared to Rs. 1887.80 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.

AUDITORS' REPORT

The comments made by the Auditors in Point No. 4(vi) of 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.

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 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 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.

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 For Industrial And Financial Reconstruction vide its order dated June 10, 2010. The Scheme envisaged comprehensive financial restructuring of the company. The substantial part of the Scheme have been implemented. The impact of the order in terms of various reliefs and concessions granted by BIFR, has been reflected in the books of accounts of the Company in the current financial year.

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

Mr Sunil Khaitan was reappointed by the Board of Directors of the Company as Managing Director of the Company for a further period of three years w.e.f. 1st April, 2011 subject to approval of the shareholders and such other approvals as may be required in terms of Section 269,309 and other applicable provisions of Companies Act, 1956.

The nomination of Mr Sanjoy Gupta as Nominee Director of the company was withdrawn by Asset Reconstruction Company (India) Limited (ARCIL) w.e.f. 27th April, 2011 and Mr Satish Kumar Gupta was appointed as Nominee Director of the Company by ARCIL w.e.f. 4th May, 2011. Further, the nomination of Mr P. K. Sarkar as Nominee Director of the company was withdrawn by State Bank of India w.e.f. 19th May, 2011. The Board places on record its deep appreciation of the valuable services rendered by Mr. Sanjoy Gupta and Mr P.K. Sarkar during their tenure as Directors of the company.

Mr. P. K. Sarkar was appointed as Additional Director of the Company w.e.f. 2nd August, 2011 and he will hold office till the conclusion of the next Annual General Meeting. The Company has received notice from a member of the Company under section 257 of Companies Act, 1956 signifying his intention to propose the appointment of Mr. P. K. Sarkar as Director of the Company.

Mr. Dipak Dasgupta retires 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 offers himself for reappointment.

SHALIMAR WIRES INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion & Analysis and Corporate Governance Report have been annexed to the Directors' Report and form 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.

AUDITORS

Messrs S. S. Kothari & Co., and Messrs G. P. Agrawal & 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.

PARTICULARS OF EMPLOYEES

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

SUBSIDIARY COMPANY

The name of SWIL International Pte. Ltd. Singapore, a wholly owned subsidiary of the company was struck off from their Register by the Accounting and Corporate Regulatory Authority of Singapore on 12th January, 2011 and hence the company does not have any subsidiary company as on 31st March, 2011.

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 2nd August, 2011

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. A.C. Plant for HP-200 Loom Shed is kept stopped in night shift for two months during Winter season, only fans kept running & compressors stopped. Thus a savings of 28,000 Units.
2. Electricity savings on account of up-gradation of air compressor system by using more efficient air compressor thereby saving 113250 KWH (approx).
3. Electricity savings on account of up-gradation of air compressor system (without the use of cooling tower) by using more efficient air compressor thereby saving 113250 KWH (approx.)

b) Investments and proposals being implemented for reduction in 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**(a) Purchased**

	Current Year	Previous Year
Unit	4,033,664	3,910,580
Total Amount	23,458,410	20,382,617
Rate/unit	Rs. 5.82	Rs. 5.21

(b) Own generation**(i) Through diesel generator**

Unit	17,915	27,480
Units per ltr.of diesel oil	1.05	1.02
Cost/unit	Rs. 39.94	Rs. 36.36

(ii) Through steam turbine/generator –

Units		
Units per ltr.of fuel oil/gas		
Cost/units	Nil	Nil

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	Nil	Nil
Total Cost		
Rate/unit		

SHALIMAR WIRES INDUSTRIES LIMITED

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

1. SS Raw material change for better life of SS Mould covers.

Synthetic

1. Automation of Tenter in Synthetic Stretching machine.
2. Two new generation fabrics developed for better quality and life.
3. New weaving mode adopted for wastage reduction in Loom.

Benefits :

1. Improved life of SS Mould covers.
2. Manpower reduction.
3. To cater to the present market trend and for better quality of paper and increase in life of the fabric for the high speed paper machines.

2. Benefits derived as a result of above effort

To retain the customer in our fold and generating good business prospect.

3. Future Plan of Action

To continue modification of Plant & Machinery Product Development and make the production parameters more cost effective.

4. Expenditure on R & D

Rs. 2.47 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

Total foreign exchange used and earned

(Rs. in lacs)

Foreign exchange earned

1,709.53

Foreign exchange used

1,719.87

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Paper Machine Clothings (PMC)

PMC Industries are solely dependent on the Paper making activities. 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. Besides, the real growth in Paper making activity is taking place in Asian region while the other part of the world has already come to a saturating stage. 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. We are also in the process of developing new PMC products to fetch more business from export 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 continually 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.

SHALIMAR WIRES INDUSTRIES LIMITED

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. Moreover 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 has also been 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 seven directors. The Chairman & Managing Director of the Company is the only Executive Director. The other directors including three nominee directors are non-executive directors.

During the financial year ended 31st March, 2011, five Board Meetings were held on 30.04.2010, 07.07.2010, 30.07.2010, 30.10.2010 and 29.01.2011.

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	5	Yes	2	NIL
Mr. Sanjoy Gupta *	Nominee of ARCIL	4	No	NIL	4
Mr. B. Dasgupta	Nominee of IDBI	5	No	NIL	NIL
Mr. P. K. Sarkar **	Nominee of SBI	4	No	6	4
Dr. L. R. Vaidyanath ***	Independent	1	No	2	2
Mr. Probir Roy	Independent	4	No	3	NIL
Mr. Dipak Rudra, IAS (Retd)	Independent	5	Yes	4	6
Mr. Dipak Dasgupta	Independent	5	Yes	5	NIL

* Nomination of Mr. Sanjoy Gupta was withdrawn by ARCIL w.e.f. 27th April, 2011 and in his place Mr. Satish Kumar Gupta was appointed as Nominee Director Director of ARCIL w.e.f. 4th May, 2011.

** Nomination of Mr. P. K. Sarkar was withdrawn by SBI w.e.f. 19th May, 2011 and he was appointed as an additional Director of the Company with effect from 2nd August, 2011.

*** Since Deceased

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. COMMITTEES OF THE BOARD

Your Company's Board has three Sub Committees

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

SHALIMAR WIRES INDUSTRIES LIMITED

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, 2011, four meetings of the Audit Committee were held on 30.04.2010, 30.07.2010, 30.10.2010 and 29.01.2011.

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

SI. No.	Name	Status	No. of meetings attended
1	Mr. Sanjoy Gupta *	Member	4
2	Mr. B. Dasgupta	Member	4
3	Mr. P. K. Sarkar **	Member	3
4	Mr. Dipak Rudra	Member	4
5	Mr. Dipak Dasgupta	Member	4

* Nomination of Mr. Sanjoy Gupta was withdrawn by ARCIL w.e.f. 27th April, 2011 and in his place Mr. Satish Kumar was appointed as Nominee Director of ARCIL w.e.f. 4th May, 2011.

** Nomination of Mr. P. K. Sarkar withdrawn by SBI w.e.f. 19th May, 2011 and he was appointed as Member of the Committee with effect from 2nd August, 2011.

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.

B. Remuneration Committee

a) Composition of the Committee

The present composition of the Remuneration Committee comprises four members, all being independent directors. During the financial year ended 31st march, 2010, no meeting of the Remuneration Committee was held. The details are as follows :

SI. No.	Name	Status	No. of meetings attended
1	Mr. Sanjoy Gupta *	Member	N.A.
2	Mr. B. Dasgupta	Member	N.A.
3	Mr. P. K. Sarkar **	Member	N.A.
4	Mr. Dipak Rudra	Member	N.A.

*Nomination of Mr. Sanjoy Gupta was withdrawn by ARCIL w.e.f. 27th April, 2011 and in his place Mr. Satish Kumar Gupta was appointed as Nominee Director of ARCIL w.e.f. 4th May, 2011.

**Nomination of Mr. P.K. Sarkar was withdrawn by SBI w.e.f. 19th May, 2011 and he was appointed as Member of the Committee with effect from 2nd August, 2011.

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 :-

- Any fixation/change in remuneration of whole time directors/Managing Director.
- Any fixation/ change in sitting fees payable to the Board/ Committee members for attending the meeting.
- 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 31.03.2011 are given below :

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Sitting fee (Rs.)	Total (Rs.)	Service Contract if any
Mr. Sunil Khaitan (Chairman & Mg. Director)	18,00,000	9,12,000	—	27,12,000	Yes
Mr. Sanjoy Gupta * (Nominee Director)	—	—	50,000	50,000	Nominee
Mr. B. Dasgupta (Nominee Director)	—	—	49,000	49,000	Nominee
Mr. P. K. Sarkar ** (Nominee Director)	—	—	44,000	44,000	Nominee
Dr. L. R. Vaidyanath***	—	—	5,000	5,000	No
Mr. Probir Roy	—	—	20,000	20,000	No
Mr. Dipak Rudra	—	—	49,000	49,000	No
Mr. Dipak Dasgupta	—	—	49,000	49,000	No
TOTAL	18,00,000	9,12,000	2,66,000	29,78,000	

*Nomination of Mr. Sanjoy Gupta was withdrawn by ARCIL w.e.f. 27th April, 2011 and in his place Mr. Satish Kumar Gupta was appointed as Nominee Director of ARCIL w.e.f. 4th May, 2011.

**Nomination of Mr. P. K. Sarkar was withdrawn by SBI w.e.f. 19th May, 2011 and he was appointed as Member of the Committee with effect from 2nd August, 2011.

*** Since Deceased

C) Investor Grievance/Share Transfer Committee

a) Composition of the Committee

The present composition of the Investors' Grievance Committee comprises five members, all being independent directors. During the financial year ended 31st March, 2011, four meetings of the Investors' Grievance Committee were held on 30.04.2010, 30.07.2010, 30.10.2010 and 29.01.2011. The details of meetings attended by the Members are as follows :

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

*Nomination of Mr. Sanjoy Gupta was withdrawn by ARCIL w.e.f. 27th April, 2011 and in his place Mr. Satish Kumar Gupta was appointed as Nominee Director of ARCIL w.e.f.

**Nomination of Mr. P. K. Sarkar was withdrawn by SBI w.e.f. 19th May, 2011 and he was appointed as Member of the Committee with effect from 2nd August, 2011.

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.)

SHALIMAR WIRES INDUSTRIES LIMITED

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 31.03.2011 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, 2010 to March, 2011 :

- | | | |
|--|---|-----|
| a) Number of Shareholders' complaints received during the year | : | 12 |
| b) Number of Shareholders' complaints resolved during the year | : | 12 |
| 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
2009-2010	30.09.2010 10.00 a.m.	Science City Mini Auditorium Kolkata	None
2008-2009	24.09.2009 10.00 a.m.	Science City Mini Auditorium Kolkata	None
2007-2008	30.09.2008 10.00 a.m.	Science City Mini Auditorium, Kolkata	1 (Appointment of Mg. Director)

In the last AGM held on 30.09.2010 no resolution was passed through Postal Ballot.

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

5. DISCLOSURES

- Related Party transactions have been disclosed under note 19 on schedule 'O' to the accounts for year under review.
- 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.
- No penalties or stricture have been imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters related to Capital Markets during the last three years.

6. MANAGEMENT RESPONSIBILITY STATEMENT

The management confirms that the Financial Statements are in full conformity with requirements of 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 :

- They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.

SHALIMAR WIRES INDUSTRIES LIMITED

- (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 on 2nd August, 2011.

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) Management discussion and analysis Report

Management Discussion and Analysis report has been given as part of the Directors' Report.

9. GENERAL SHAREHOLDERS INFORMATION

- a) Annual General Meeting
- | | | |
|-------|---|---|
| Date | : | 30th September, 2011 |
| 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 2011 – 2012
- | | | |
|-----|-----|--|
| | : | 1st Quarterly Results – 2nd August, 2011 |
| 2nd | " " | On or before 14th Nov, 2011 |
| 3rd | " " | On or before 14th Feb, 2012 |
| 4th | " " | On or before 14th May, 2012 |
- c) Book Closure Date : 23rd September, 2011 to 30th September, 2011
(both days inclusive)
- d) Dates of the completion of the Secretarial Audits for each quarter
- | | | |
|-------------|---|----------------------------------|
| 1st Quarter | - | 2nd August, 2011 |
| 2nd Quarter | - | On or before 14th November, 2011 |
| 3rd Quarter | - | On or before 14th February, 2012 |
| 4th Quarter | - | On or before 14th May, 2012 |
- e) Listing of Equity shares on Stock Exchanges : The Company's shares are listed on the Stock Exchanges at :
- Calcutta (Sock Code 100294),
 - Mumbai (Stock Code 532455),
- The listing fees for the period 2011-2012 have been paid to both the Stock Exchanges.
Demat ISIN Number in NSDL and CDSL : INE 655 D 01025

SHALIMAR WIRES INDUSTRIES LIMITED

- 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 2010 to March 2011 is given below. There was no trading in Calcutta Stock Exchange.

Month	Bombay Stock Exchange	
	High	Low
April, 10	20.15	17.40
May, 10	19.85	17.10
June, 10	19.25	16.15
July, 10	31.10	18.55
Aug, 10	25.50	21.05
Sept, 10	29.00	18.60
Oct, 10	35.00	25.00
Nov, 10	42.80	25.85
Dec, 10	31.75	21.75
Jan, 11*	—	—
Feb, 11	32.15	16.60
Mar, 11	20.40	14.60

* No Trading due to Capital Reduction

- g) Registrar and Share Transfer Agent : Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata - 700 001
- 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 31.03.2011 was 31153.
- i) Distribution of shareholding & shareholding Pattern : As per Appendix
- j) Dematerialisation of shares : 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.

6050976 Nos. of equity shares (90.92%) of the paid up share capital of the Company was held in demat form with NSDL and CDSL as on 31st March, 2011. International Securities & Identification Number is INE 655 D 01025.
- k) Factory location : The Company's factories are located at the following places :
1. 77, Netaji Subhas Road, Uttarpara, Dist. Hooghly, W.B.
 2. E-26/29, Industrial Area, Satpur, Nashik - 422 007
 3. Paper Machine Wire Unit, 73, Industrial Estate, Satpur, Nashik – 422 007

SHALIMAR WIRES INDUSTRIES LIMITED

l) Address for correspondence

With the Company :
 Share Department
 25, Ganesh Chandra Avenue, 2nd Floor, Kolkata - 700 013
 Tel. : 2234-9308/09/10, Fax : 2211-6880
 E-mail : secretarial@shalimarwires.com
 The Company can also be visited at its Website :
<http://www.shalimarwires.com>

With the Registrar :
 Maheshwari Datamatics Pvt. Ltd.
 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001
 Tel. : 2243-5029/5809, 2248-2248, Fax : 2248 5787
 E-mail : mdpl@cal.vsnl.net.in

APPENDIX

DECLARATION UNDER 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, 2011.

Kolkata

Dated : 2nd August, 2011

Sunil Khaitan

Chairman & Managing Director

APPENDIX

Pattern of Shareholding as on 31st March, 2011

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Promoters/Directors & their relatives including associate companies.	31	0.2059	28,25,478	42.4707
Financial Institutions/Insurance Companies/Mutual Funds & Bank	26	0.1727	7,77,420	11.6815
Non-resident Indians/Overseas Corporate Bodies.	17	0.1130	6,985	0.1050
Other bodies corporate	192	1.2756	11,83,556	17.7841
Indian Public	14786	98.2328	18,60,684	27.9587
Total	15,052	100.00	66,55,123	100.00

Distribution of Shareholding as on 31st March, 2011

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	12827	85.2179	4,83,563	7.2660
501-1000	1990	13.2209	5,31,552	7.9872
1001-5000	159	1.0563	3,77,914	5.6785
5001-10000	22	0.1461	1,56,448	2.3508
10001 and above	54	0.3588	51,05,646	76.7175
Total	15,052	100.00	66,55,123	100.00

SHALIMAR WIRES INDUSTRIES LIMITED

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, 2011, 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 31 March, 2011.

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 Sunita Kedia

Membership No. 60162

Partner

7A, Kiran Shankar Ray Road
Kolkata, 2nd August, 2011

For S. S. KOTHARI & CO.

Chartered Accountants

FR No. 302034E

CA A. Datta

Membership No. 5634

Partner

21, Old Court House Street
Kolkata, 2nd August, 2011

AUDITORS' REPORT

TO THE MEMBERS

1. We have audited the attached Balance Sheet of **SHALIMAR WIRES INDUSTRIES LIMITED** as at 31st March, 2011 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the aforesaid Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - i. 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.
 - ii. 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.
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 **except compliance of Accounting Standard 29 regarding Contingent Liabilities (refer Note No. B 1 & B 24 of Schedule 'O'), the quantum of non-provision in respect whereof is not ascertained pending settlement/disposal of appeals.**
 - v. On the basis of legal opinion and the written representations received from the Board of Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. Attention is drawn to the following notes in Schedule 'O' of Significant Accounting Policies and Notes on Accounts :
 - a) **Note B 5 regarding non-provision against Loans given amounting to Rs.565.39 Lacs together with non accounting of Interest due thereon.**
 - b) **Note B 6 regarding non-provision against Sundry Debtors and advances amounting to Rs.28.75 Lacs.**
 - c) **Note B 7 regarding amount due from Sundry Debtors and Loans & Advances given and due to Sundry Creditors, in respect of which we are unable to express our opinion, in the absence of confirmation from the parties.**
 - d) **Note B 20 regarding preparation of accounts on going concern basis although the Net Worth of the company has been fully eroded.**

SHALIMAR WIRES INDUSTRIES LIMITED

- e) Without considering item nos. (iv), (vi) (c) and (d) above, whose impact on the company's loss is presently not ascertainable, and if the impact of items (vi) (a) and (b) above had been considered, the profit for the year would have been Rs.5,267.35 Lacs as against the reported profit of Rs.5,861.49 Lacs and the debit balance of Profit and Loss account would have been Rs.21,358.56 Lacs as against the reported figure of Rs.20,764.42 Lacs.

Subject to the above and read together with other Notes appearing in Schedule 'O', in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true & 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 31st March, 2011;
- b) In the case of the Profit & Loss Account, of its profit for the year ended on that date; and
- c) In the case of Cash Flow Statement, of cash flows for the year ended on that date.

For G. P. AGRAWAL & CO.

Chartered Accountants
FR No. 302082E

CA Sunita Kedia

Membership No. 60162
Partner

7A, Kiran Shankar Ray Road
Kolkata, 2nd August, 2011

For S. S. KOTHARI & CO.

Chartered Accountants
FR No. 302034E

CA A. Datta

Membership No. 5634
Partner

21, Old Court House Street
Kolkata, 2nd August, 2011

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, 2011 :

- 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 changed on these loans since 1st April, 2002.**
- c) **Receipt of the principal amount and interest on the 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 loan from two parties 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 10.06.2010.
- 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, provision of Clause (v) of paragraph 4 of the said order are not applicable to the Companies.
- 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.**
- viii. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.

SHALIMAR WIRES INDUSTRIES LIMITED

- 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 in the following amounts which are outstanding as on 31st March, 2011 for a period of more than six months from the date of becoming payable :

Sl. No.	Name of Act	Nature of Dues	Year	Amount not paid (Rs. Lacs)
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 4,717.08 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	Amt. not paid due to dispute (Rs. Lacs)	Year to which it Relates	Forum
1	WBST Act, 1994	Tax & Penalty	2.73	1999-00	The Deputy Commissioner of Commercial Taxes, Kolkata
2	WBST Act, 1994	Tax & Penalty	0.11	1988-1989	The Assistant Commissioner of Commercial Taxes, Kolkata
3	WBST Act, 1994	Tax, Interest & Penalty	4.22	1998-99 & 2002-03	The Additional Commissioner of Commercial Taxes, Kolkata
4	WBST Act, 1994	Tax & Penalty	9.49	1980-81, 1993-94 1997-98, 2000-01, 2003-04 & 2004-05	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata
5	WBST Act, 1994	Tax & Penalty	5.01	2001-02	The West Bengal Taxation Tribunal
6	WBST Act, 1994	Tax & Penalty	51.87	2005-06 & 2006-07	The Sr. Joint Commissioner of Sales Tax
7	CST Act, 1956	Tax, Interest & Penalty	320.65	1999-00, 2004-05	The Deputy Commissioner of Commercial Taxes, Kolkata
8	CST Act, 1956	Tax	0.72	1998-89	The Assistant Commissioner of Commercial Taxes, Kolkata
9	CST Act, 1956	Tax, Penalty & Interest	876.76	1996-97, 1998-99 2001-02 & 2002-03	The Additional Commissioner of Commercial Taxes, Kolkata
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	84.03	2005-06, 06-07, 07-08	The Sr. Joint Commissioner of Sales Tax
12	Central Excise Act, 1944	Tax & Penalty	146.61	1992-93, 1994-95 1999-00, 2002-03 2003-04, 2009-10	Commissioner (Appeals), C.E., Cal-IV, Kolkata
13	Central Excise Act, 1944	Tax & Penalty	1,744.69	1987-97 & 2000-03	Hob'ble Supreme Court, New Delhi
14	Central Excise Act, 1944	Tax	11.23	1989-90 & 2005-06	Hob'ble High Court, Mumbai
15	Central Excise Act, 1944	Tax & Penalty	0.32	1994-95	CESAT, Kolkata
16	Central Excise Act, 1944	Tax & Penalty	4.34	2003-04	Commissioner (Appeals) Nashik
17	Central Excise Act, 1944	Tax	1.73	2002-03	CESTAT, Mumbai

SHALIMAR WIRES INDUSTRIES LIMITED

Sl. No.	Name of Act	Nature of Dues	Amt. not paid due to dispute (Rs. Lacs)	Year to which it Relates	Forum
18	Central/Delhi Sales Tax Act	Tax	0.62	1999-2002	The Asst. Commissioner, Sales Tax, Delhi
19	Central/ Gujarat Sales Tax Act.	Tax & Penalty	5.50	1999-2000 & 2002-03	The Asst. Commissioner Sales Tax, Ahmedabad
20	Customs Act, 1962	Tax	639.16	2000-03	Commissioner, Customs Nashik & Mumbai
21	Municipal Tax Demands	Tax	11.69	1982-89	Nashik Municipal Corporation

- 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 no dues to bank and has not defaulted in repayment of dues to debenture holders. Further, due to restructuring of dues to financial institutions pursuant to BIFR order dated 10th June, 2010, there are no default in repayment of dues to Financial Institutions.
- 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. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 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 Sunita Kedia

Membership No. 60162
Partner

7A, Kiran Shankar Ray Road
Kolkata, 2nd August, 2011

For S. S. KOTHARI & CO.

*Chartered Accountants
FR No. 302034E*

CA A. Datta

Membership No. 5634
Partner

21, Old Court House Street
Kolkata, 2nd August, 2011

SHALIMAR WIRES INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2011					
	Schedule	Rs.	As at 31st March, 2011 Rs.	Rs.	As at 31st March, 2010 Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	306,745,112		359,986,096	
Share Application Money Reserves & Surplus		12,000,000		-	
	B	-	318,745,112	246,031,387	606,017,483
Loan Funds					
Secured Loans	C	2,606,850,564		2,920,811,484	
Unsecured Loans		36,743,352	2,643,593,916	78,876,369	2,999,687,853
Deferred Tax Liabilities (net) (Refer Note no. B 27 of Schedule 'O')			9,570,984		9,570,984
TOTAL			2,971,910,012		3,615,276,320
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	D	1,386,441,969		1,385,169,951	
Less : Depreciation		970,328,072		935,703,379	
		416,113,897		449,466,572	
Less : Provision for Impairment Loss		15,015,337		-	
Net Block		401,098,560		449,466,572	
Capital Work in Progress		3,339,619	404,438,179	1,437,733	450,904,305
Investments	E		3,161,706		3,466,356
Current Assets, Loans & Advances					
Inventories	F	253,435,537		246,118,551	
Sundry Debtors		242,366,132		213,438,152	
Cash and Bank Balances		92,351,041		68,154,839	
Loans and Advances		153,534,286		135,981,591	
		741,686,996		663,693,133	
Less : Current Liabilities & Provisions	G				
Current Liabilities		223,330,117		434,162,402	
Provisions		1,725,000		1,725,000	
		225,055,117		435,887,402	
Net Current Assets			516,631,879		227,805,731
Miscellaneous Expenditure	H		-		-
Profit & Loss Account					
(Debit balance as per annexed account)		2,076,441,566		2,961,863,246	
Less : General Reserve (as per contra)		28,763,318	2,047,678,248	28,763,318	2,933,099,928
TOTAL			2,971,910,012		3,615,276,320
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS					
O					
Schedules and Notes referred to above form an integral part of the Balance Sheet.					
As per our Report of even date annexed					
For G. P. AGRAWAL & CO. Chartered Accountants FR No. 302082E CA Sunita Kedia Membership No. 60162 Partner Kolkata, 2nd August, 2011	For S. S. KOTHARI & CO. Chartered Accountants FR No. 302034E CA A. Datta Membership No. 5634 Partner Kolkata, 2nd August, 2011	S. J. Sengupta Sr. V. P. & (CFO)	Sunil Khaitan Managing Director	S. K. Kejriwal Company Secretary	Dipak Dasgupta Director

SHALIMAR WIRES INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011					
	Schedule	Rs.	2010-2011 Rs.	Rs.	2009-2010 Rs.
INCOME					
Sales (Gross)		906,865,365		824,182,596	
Less : Excise Duty		66,907,860		48,394,278	
Net Sales			839,957,505		775,788,318
Other Income	I		16,603,657		10,469,973
Increase/(Decrease) in Stocks	J		5,814,435		(4,403,171)
TOTAL			862,375,597		781,855,120
EXPENDITURE					
Materials Consumed	K		209,105,394		185,583,264
Personnel Expenses	L		152,293,989		139,126,313
Other Expenses	M		279,739,528		284,009,268
Interest (Net)	N		43,258,250		103,843,467
Depreciation			58,598,156		63,658,638
			742,995,317		776,220,950
Profit before Taxation and Exceptional Items			119,380,280		5,634,170
Exceptional Item :					
Write back (Net) on account of BIFR Scheme (Refer Note No. B 4 of Schedule "O")			466,769,029		199,046,093
Profit before Taxation			586,149,309		204,680,263
Provision for Taxation			-		-
Profit after Taxation			586,149,309		204,680,263
Surplus/(Deficit) brought forward from Previous Year			(2,961,863,246)		(3,166,543,509)
Adjustment on account of Capital Restructuring (Refer Note No. B 4 of Schedule "O")			299,272,371		-
Surplus/(Deficit) carried to Balance Sheet			(2,076,441,566)		(2,961,863,246)
Earnings per Share of Rs.2/-each (Previous Year Rs. 10/- each) (Basic and Diluted) (Refer Note B 18 of Schedule "O")			88.07		30.76
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS					
Schedules and Notes referred to above form an integral part of the Profit and Loss Account.					
As per our Report of even date annexed					
For G. P. AGRAWAL & CO. Chartered Accountants FR No. 302082E CA Sunita Kedia Membership No. 60162 Partner Kolkata, 2nd August, 2011	For S. S. KOTHARI & CO. Chartered Accountants FR No. 302034E CA A. Datta Membership No. 5634 Partner Kolkata, 2nd August, 2011		S. J. Sengupta Sr. V. P. & (CFO)	Sunil Khaitan Managing Director	
			S. K. Kejriwal Company Secretary	Dipak Dasgupta Director	

SHALIMAR WIRES INDUSTRIES LIMITED

Schedules to the Accounts				
SCHEDULE 'A' SHARE CAPITAL				
	<i>As at 31st March, 2011 Rs.</i>		<i>As at 31st March, 2010 Rs.</i>	
Authorised :				
50,000,000 (Previous Year 10,000,000) Equity Shares of Rs. 2/- each (Previous Year Rs. 10/-) each	100,000,000		100,000,000	
5,000,000 (Previous Year 5,000,000) Preference Shares of Rs.100/- each	500,000,000		500,000,000	
	<u>600,000,000</u>		<u>600,000,000</u>	
Issued,Subscribed & Paid up :				
6,655,123 (Previous Year 6,665,123) Equity Shares of Rs 10/- (Previous Year Rs.10/-) each fully paid up	66,551,230	66,551,230		
Less : Reduction due to Capital Restructuring (Refer Note No. B 4 of Schedule - O)	<u>53,240,984</u>	13,310,246*	<u>—</u>	
2,934,349 (Previous Year 2,934,349) 8% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up	293,434,866		<u>293,434,866</u>	
TOTAL	<u>306,745,112</u>		<u>359,986,096</u>	
* Note : Face value of Share Capital reduced to Rs. 2/- pursuant to Capital Restructuring as referred to in Note No. B 4 of Schedule 'O' to the Accounts.				
SCHEDULE 'B' RESERVES & SURPLUS				
	<i>Balance as at 1st April 2010 Rs.</i>	<i>Additions Rs.</i>	<i>Adjustments Rs.</i>	<i>Balance as at 31st March 2011 Rs.</i>
Capital Reserve	10,209,787	—	10,209,787	—
Securities Premium Reserve	121,021,600	—	121,021,600	—
Capital Redemption Reserve	1,000,000	—	1,000,000	—
Debenture Redemption Reserve	113,800,000	—	113,800,000	—
General Reserve	28,763,318	—	—	28,763,318
Less : Debit Balance of Profit & Loss Account (as per contra)	<u>(28,763,318)</u>	<u>—</u>	<u>—</u>	<u>(28,763,318)</u>
TOTAL	<u>246,031,387</u>	<u>—</u>	<u>246,031,387</u>	<u>—</u>
Note : Adjustments include reduction due to Capital Restructuring as referred to in Note No. B 4 of Schedule 'O' to the Accounts.				

SHALIMAR WIRES INDUSTRIES LIMITED

SCHEDULE 'C' LOANS		Schedules to the Accounts			
		As at 31st March, 2011		As at 31st March, 2010	
		Rs.	Rs.	Rs.	Rs.
SECURED :					
350,000	(Previous Year : 350,000) 19% Redeemable Non-Convertible Debentures of Rs. 100/- each privately placed with NIA		2,145,658		2,145,658
100,000	(Previous Year : 100,000) 19% Redeemable Non-Convertible Debentures of Rs. 100/- each privately placed with OIC		8,988,957		8,988,957
100,000	(Previous Year : 100,000) 20% Redeemable Non-Convertible Debentures of Rs. 100/- each privately placed with NIA		10,546,481		10,546,481
1,000,000	(Previous Year : 1,000,000) 18% Redeemable Non-Convertible Debentures of Rs. 100/- each	100,000,000		100,000,000	
	Less : Amount Due	10,000,000	90,000,000	10,000,000	90,000,000
374,467	(Previous Year : 380,982) 14% Secured Redeemable Debentures of Rs. 30/- each	11,429,467		11,429,467	
	Less : Waiver pursuant to BIFR Scheme	207,000		—	
		11,222,467		11,429,467	
	Add : Adjustment pursuant to BIFR Scheme	11,533			
		11,234,000		11,429,467	
249,375	(Previous Year : 249,375) 14% Secured Redeemable Debentures of Rs. 20/- each	4,987,500		4,987,500	
10,300	(Previous Year : 10,300) 14% Secured Redeemable Debentures of Rs. 10/- each	103,000		103,000	
		16,324,500		16,519,967	
	Less : Allotment Money in Arrear (Due from Other than Directors)	87,360		87,360	
		16,237,140		16,432,607	
	Less : Shown as Investor Education and Protection Fund under the head 'Current Liabilities & Provisions'	15,225,510	1,011,630	15,213,977	1,218,630
	From Financial Institutions, Banks & ARCIL				
	- Term Loans		827,863,503		944,363,503
	Interest Accrued and Due		1,666,294,335		1,863,548,255
	TOTAL (A)		2,606,850,564		2,920,811,484
UNSECURED :					
Short Term :					
	From Promoters/Directors		1,675,000		16,750,000
	From Bodies Corporate		1,404,177		16,292,087
	From SICOM	4,757,756		14,656,860	
	Sales Tax Loan (under Sales Tax Deferral Scheme)	28,906,419	33,664,175	31,177,422	45,834,282
	TOTAL (B)		36,743,352		78,876,369
	TOTAL (A + B)		2,643,593,916		2,999,687,853

DESCRIPTION OF ASSETS		GROSS BLOCK				DEPRECIATION			IMPAIRMENT		NET BLOCK	
		As at 1st April 2010	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2011	Upto 31st March 2010	For the Year	Sale/ Adjustments	Upto 31st March 2011	Provision as at 31.03.2011	As at 31st March 2011	As at 31st March 2010
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
LAND	1,270,150	—	—	1,270,150	—	—	—	—	—	1,270,150	1,270,150	
FREE HOLD	1,005,213	—	—	1,005,213	273,224	11,580	—	284,804	—	720,409	731,989	
LEASE HOLD	168,067,649	1,115,550	—	169,183,200	72,064,801	4,778,222	—	76,843,023	—	92,340,177	96,002,848	
BUILDINGS	1,128,534,285	22,448,725	25,150,243	1,125,832,766	803,678,281	49,781,763	21,997,646	831,462,396	15,015,337	279,355,033	324,856,004	
PLANT & MACHINERY	36,684,832	285,331	—	36,970,163	23,825,393	1,599,177	—	25,424,570	—	11,545,593	12,859,439	
FURNITURE & FITTINGS	8,519,552	256,683	115,000	8,661,235	5,613,071	328,968	57,814	5,884,225	—	2,777,010	2,906,481	
OFFICE EQUIPMENTS	8,766,846	4,894,382	3,255,584	10,405,644	3,462,392	805,196	1,837,657	2,429,931	—	7,975,713	5,304,454	
VEHICLES	30,291,346	943,571	151,397	31,083,520	25,403,027	1,173,882	80,346	26,496,564	—	4,586,956	4,888,319	
COMPUTERS	2,030,078	—	—	2,030,078	1,383,190	119,369	—	1,502,559	—	527,519	646,888	
PATENTS	1,385,169,951	29,944,242	28,672,224	1,386,441,969	935,703,379	58,598,157	23,973,463	970,328,072	15,015,337	401,098,560	449,466,572	
TOTAL	1,827,571,698	72,525,866	514,927,613	1,385,169,951	1,280,640,856	63,658,638	408,596,115	935,703,379	—	449,466,572	—	
PREVIOUS YEAR												

NOTE : (1) BUILDING INCLUDE RS. 234,277/- BEING COST OF CO-OWNERSHIP FLATS. (PREVIOUS YR : Rs. 234,277/-)
 (2) FIXED ASSETS INCLUDE ASSETS TAKEN ON HIRE PURCHASE AFTER 01.04.2001
 GROSS BLOCK Rs. 8,810,321/- (PREVIOUS YR : Rs. 7,008,540/-)
 NET BLOCK Rs. 7,576,038/- (PREVIOUS YR : Rs. 5,150,684/-)

(3) DETAILS OF MINIMUM HIRE PURCHASE PAYMENTS AND THEIR PRESENT VALUE

	AS AT 31.3.2011		AS AT 31.3.2010	
	MIN.H.P. PAYMENTS	PRESENT VALUE	MIN.H.P. PAYMENTS	PRESENT VALUE
	Rs.	Rs.	Rs.	Rs.
i) NOT LATER THAN ONE YEAR	—	—	44,100	42,687
ii) LATER THAN ONE YEAR AND NOT LATER THAN FIVE YEARS	4,998,490	4,209,514	2,284,794	1,823,821
iii) LATER THAN FIVE YEARS	—	—	—	—

(4) Provision for Impairment loss was made during the year on the basis of valuation carried out by an Approved Valuer in respect of Plant & Machinery lying in Company's Nasik Unit.

SHALIMAR WIRES INDUSTRIES LIMITED

Schedules to the Accounts

SCHEDULE 'E' INVESTMENTS

LONG TERM (AT COST)

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
In Government Security :		
7-year National Savings Certificates (Lodged with Government Departments as Security)	23,000	23,000
Shares, Debentures and Bonds :		
Other than Trade :		
Quoted, Fully paid up :		
101,550 (Previous Year 101,550) Equity Shares of Rs. 10/- each in Anil Special Steel Industries Limited	2,652,450	2,652,450
337,800 (Previous Year 168,900) Equity Shares of Rs.10/- each in Sunil Synchem Limited	1,560,136	1,560,136
260,130 (Previous Year 519,880) Equity Shares of Rs.10/- each in PAMWI Tissues Limited	1,328,427	1,328,427
4,200 (Previous Year 4,200) Equity Shares of Rs.10/- each in Sumangala Investment Company Limited	42,000	42,000
Un-quoted, Fully paid up :		
1,000 (Previous Year 1,000) Equity Shares of Rs.10/- each in Shalimar Impex Limited	10,000	10,000
2,000 (Previous Year 2,000) Equity Shares of Rs.10/- each in Satya Sons Services Limited	20,000	20,000
	5,636,013	5,636,013
Less : Provision for diminution in value of Investments	2,474,307	2,169,657
TOTAL	3,161,706	3,466,356

SUMMARY

Aggregate Value of Investments	As at 31st March, 2011		As at 31st March, 2010	
	Book Value Rs.	Market Value Rs.	Book Value Rs.	Market Value Rs.
Quoted	5,583,013	5,854,665	5,583,013	3,963,615
Un-quoted	53,000	—	53,000	—
	5,636,013	5,854,665	5,636,013	3,963,615

SHALIMAR WIRES INDUSTRIES LIMITED

Schedules to the Accounts
SCHEDULE 'F' CURRENT ASSETS, LOANS & ADVANCES

	Rs.	Rs.	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
A. Current Assets :				
Inventories :				
(At lower of cost and net realisable value)				
Raw Materials	51,271,338		49,848,460	
Stores & Spare Parts	30,779,140		30,699,467	
Finished Goods	6,303,525		14,697,844	
Work-in-Process	164,819,427		150,531,236	
Scrap	<u>262,107</u>		<u>341,544</u>	
			253,435,537	246,118,551
Sundry Debtors (Unsecured) :				
Debts Outstanding for a period exceeding six months -				
Considered Good		33,344,426	30,193,589	
Considered Doubtful @	304,359		1,693,433	
Less : Provision	<u>(304,359)</u>		<u>(1,693,433)</u>	
Other Debts (Considered Good)		<u>209,021,706</u>	<u>183,244,563</u>	
			242,366,132	213,438,152
Cash and Bank Balances :				
Cash in hand (As Certified)		1,323,124	1,409,747	
Balances With Scheduled Banks :				
In Current Account		80,505,230	59,265,939	
In Margin Money Account *		<u>10,522,687</u>	<u>7,479,153</u>	
			92,351,041	68,154,839
B. Loans & Advances				
(Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received or pending adjustments :				
Income Tax Advance		133,358,529	115,593,384	
Balance with Central Excise		2,401,758	2,281,280	
Deposits		3,867,714	4,132,353	
		<u>13,906,285</u>	<u>13,974,574</u>	
			153,534,286	135,981,591
			<u>741,686,996</u>	<u>663,693,133</u>

@ Doubtful Debts under Litigation Rs. 304,359/- (Previous Year Rs. 304,359/-)

* Representing Fixed Deposit Receipts of Rs.10,522,687/- (Previous Year : Rs. 7,479,153/-) lodged with banks.

Schedules to the Accounts**SCHEDULE 'G' CURRENT LIABILITIES & PROVISIONS**

	Rs.	As at 31st March, 2011 Rs.	Rs.	As at 31st March, 2010 Rs.
Current Liabilities :				
Sundry Creditors				
Micro and Small Enterprises (Refer note no. B 26 of Schedule 'O')	453,330		2,616,462	
Others	190,599,839		402,599,878	
Customer's Credit Balances	11,131,039		7,747,728	
Investor Education and Protection Fund				
- Matured Debentures	15,225,510		15,213,977	
- Interest accrued and due on above	<u>5,920,399</u>	<u>223,330,117</u>	<u>5,984,357</u>	434,162,402
Provisions for :				
Debenture Premium	1,375,000		1,375,000	
Contingencies	<u>350,000</u>	<u>1,725,000</u>	<u>350,000</u>	<u>1,725,000</u>
TOTAL		<u>225,055,117</u>		<u>435,887,402</u>

SCHEDULE 'H' MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary Expenses as per last account	—	18,792	
Less : written off during the year	—	<u>18,792</u>	—
TOTAL	<u>—</u>		<u>—</u>

SCHEDULE 'I' OTHER INCOME

	2010-2011 Rs.	2009-2010 Rs.
Scrap Sales	3,294,188	4,229,111
Dividend on Long Term Investments (other than trade)	—	84,450
Miscellaneous Receipts	10,623,026	6,058,231
Sales Tax Refund for Earlier Years	1,361,236	—
Provision for diminuation in value of Investment written back	—	98,181
Exchange rate fluctuation	<u>1,325,207</u>	—
TOTAL	<u>16,603,657</u>	<u>10,469,973</u>

SHALIMAR WIRES INDUSTRIES LIMITED

Schedules to the Accounts

SCHEDULE 'J' STOCKS

	2010-2011 Rs.	2009-2010 Rs.
Closing Stocks :		
Work-in-Process	164,819,427	150,531,236
Finished Goods	6,303,525	14,697,844
Scrap	262,107	341,544
TOTAL	<u>171,385,059</u>	<u>165,570,624</u>
Less : Opening Stock :		
Work-in-Process	150,531,236	156,608,404
Finished Goods	14,697,844	12,811,471
Scrap	341,544	553,920
TOTAL	<u>165,570,624</u>	<u>169,973,795</u>
Increase/(Decrease) in Stocks	<u>5,814,435</u>	<u>(4,403,171)</u>

SCHEDULE 'K' MATERIALS CONSUMED

Opening Stock	49,848,460	43,964,065
Add : Purchases	<u>210,528,272</u>	<u>191,467,659</u>
	260,376,732	235,431,724
Less : Closing Stock	<u>51,271,338</u>	<u>49,848,460</u>
TOTAL	<u>209,105,394</u>	<u>185,583,264</u>

SCHEDULE 'L' PERSONNEL EXPENSES

Salaries, Wages, Bonus & Gratuity	131,841,975	121,870,630
Contribution to Provident & Other Funds	8,377,850	7,568,534
Staff Welfare Expenses	12,074,164	9,687,149
TOTAL	<u>152,293,989</u>	<u>139,126,313</u>

SHALIMAR WIRES INDUSTRIES LIMITED

Schedules to the Accounts**SCHEDULE 'M' OTHER EXPENSES**

	2010-2011	2009-2010
	Rs.	Rs.
Stores & Spares Consumed	46,035,818	43,483,301
Power & Fuel	25,536,746	22,569,720
Rent	3,721,999	3,403,496
Rates & Taxes	1,235,802	741,104
Insurance	2,810,424	3,062,621
Repairs		
To Building	2,749,531	4,075,805
To Plant & Machinery	20,640,345	20,373,836
To Others	3,562,373	3,792,667
Travelling & Conveyance	27,188,167	27,180,564
Miscellaneous Expenses	34,178,619	42,141,570
Directors' Fees	266,000	227,000
Payments to Auditors	470,476	431,145
Brokerage & Commission	14,581,038	16,661,568
Freight & Forwarding	5,144,297	4,584,428
Legal and Professional Charges	33,625,359	14,822,302
Compensation	7,679,107	7,616,394
Sales Tax/VAT	17,418,713	15,454,659
Loss on Sale/Discardation of Fixed Assets (Net)	3,529,035	53,368,296
Debts written off	13,350,722	—
Advances written off	694,970	—
Provision for Impairment Loss of Plant & Machinery	15,015,337	—
Provision for Diminution in Value of Investments	304,650	—
Preliminary Expenses Written Off	—	18,792
TOTAL	<u>279,739,528</u>	<u>284,009,268</u>

SCHEDULE 'N' INTEREST (NET)

On Fixed Loans :		
Debentures	1,361,563	43,251,656
Term Loans	35,977,938	30,717,099
To Others	5,918,749	29,874,712
TOTAL	<u>43,258,250</u>	<u>103,843,467</u>

SCHEDULES TO THE ACCOUNTS

Schedule "O"

Significant Accounting Policies & Notes on Accounts Annexed to and forming part of the Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date

A. 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 revised straight line rates prescribed in Schedule XIV to the Companies Act, 1956 vide Notification dated 16th December, 1993 issued by the Central Government. 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.

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. 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) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognized in the Profit & Loss Account.

7) Research & Development Expenditure :

Revenue expenditure is charged to Profit & Loss Account 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 Profit & Loss Account 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 Profit & Loss Account 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 Profit and Loss Account.

9) Amortisation of Miscellaneous Expenditure :

Miscellaneous Expenditure are being charged off on the following basis :

Preliminary Expenditure : Over ten years, on straight line basis.

10) Provisions and Contingent Liabilities :

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 the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is not considered probably, hence not provided for. Contingent assets are not recognised in the accounts.

11) 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 revenue.

12) 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 subsequently 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 of its realisation.

13) Impairment of Assets :

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

B. NOTES ON ACCOUNTS :

	As at 31st March, 2011 (Rs.)	As at 31st March, 2010 (Rs.)
1. Contingent Liabilities not provided for, pending appeals :		
i. (a) Sales Tax Demands	215,730,802	212,499,571
Excludes amount paid under protest, Rs.2,465,547 (previous year Rs.2,472,100)		
(b) Excise Demands	190,859,573	190,486,233
Excludes amount paid under protest, Rs. 2,467,041 (previous year Rs.2,477,041)		
(c) Demands by Enforcement Directorate, Govt. of India, Pursuant to the provisions of FEMA, 1999 (Settled during the year)	-	2,740,000
(d) Municipal Tax Demands	1,168,750	2,020,593
Excludes advance paid Rs. 250,000/- (previous year Rs. 250,000/-)		
(e) Bank Guarantees Outstanding	8,134,491	2,836,610
(f) Claims against the Company not acknowledged as debts	53,723,591	54,063,942

SHALIMAR WIRES INDUSTRIES LIMITED

- (g) Non fulfilment of export obligation against duty free imports procured under DEEC Scheme. Demand of Rs. 57,324,691/-(excluding interest and penalty) has been received against some of the licenses. The liability against the remaining licenses is not ascertainable. An amount of Rs. 8,034,770/- has been deposited with the Customs Authorities on this account.
- (h) Non fulfilment of export obligation against duty free imports procured under Intermediate & Special Imprest License scheme in respect of which demand of Customs Duty of Rs. 6,590,672/- including interest & penalty as on date may come.
- ii. The above contingent liability in respect of Sales Tax includes an amount of Rs.179,166,738/- (Previous Year : Rs.179,166,738/-) being tax demanded by the Sales Tax Authorities on sale of Synthetic Fabric manufactured by the Company in respect of the accounting years 1993-94, 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, 2000-01, 2001-02, 2002-03, 2003-04 and 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. However, an interim order of stay for the same has been obtained from the Hon'ble High Court, Calcutta. In respect of demand for disputed Sales Tax in Synthetic Rs.78,061,140/-, Orders in favour of the Company have been issued by W.B. Commercial Taxes Appellate and Revision Board and Sr. Joint Commissioner during the year. However, such Order has not been considered above pending finalisation of appeal, if any by the Sales Tax Department concerned.
- Proceedings have also been initiated by the Sales Tax authorities to re-open assessment in respect of certain other years, though no demand has been raised by the Department in respect of these years. The Company is contesting the same and has been legally advised that the above is not taxable.
- iii The above Contingent Liabilities for Excise demands include demands made by Central Excise Authorities from time to time on some alleged intermediate product (i.e. Grey Fabric) of Synthetic Wire cloth for the following periods :
- a) From September 1987 to June 1997 Rs. 36,362,543/-
- b) From July 1992 to January 1996 & January 2000 to March 2010 Rs. 152,798,363/-
- The Company is contesting the same before CESTAT and Supreme Court simultaneously and has been legally advised that no duty is payable on the said intermediate product.
- iv The Contingent Liabilities representing dues to various Government Authorities as stated in (i) (a) to (i) (h) above have been arrived at after considering the reliefs granted by BIFR vide its Order dated 10.06.2010. However, the figure for non-fulfilment of export obligation referred to in (i) (h) does not include interest/penalty, demand etc. amounting to Rs.34,398,564/- 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.
2. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for
- | | | |
|--|------------|------------|
| | 13,804,048 | 25,038,912 |
|--|------------|------------|
3. 350,000 19% Redeemable Non-Convertible Debentures of Rs.100/- each privately placed with the New India Assurance Co.Ltd. (NIA) was redeemable in three equal installments starting from the end of the 6th year till the end of the 8th year from the date of allotment i.e. 19th June, 1993.
- 100,000 19% Non-Convertible Debentures of Rs.100/- each privately placed with The Oriental Insurance Co. Ltd. (OIC) are redeemable in three equal annual installments on the expiry of 6th, 7th and 8th years from the date of allotment i.e. 30th May, 1996.
- 100,000 20% Non-Convertible Debentures of Rs.100/- privately placed with NIA are redeemable in three equal annual installments on the expiry of 4th, 5th and 6th year from the date of allotment i.e. 3rd December, 1996.
- 1,000,000 18% Non Convertible Debentures of Rs.100/- each privately placed with Industrial Development Bank of India (IDBI) are redeemable in sixteen installments commencing from 1st April, 2005.
- The Debentures and term loans from Financial Institutions and Banks except term loans of Rs.110,681,935/- (Previous Year : Rs. 110,681,935/-) as stated herein after are secured/ to be secured by pari passu first charge by deposit of title deeds of all the immovable properties, and movable properties, both present and future subject, however, to prior charges created/ to be created in favour of the Company's bankers on stocks and receivables for securing borrowings for working capital requirements.

SHALIMAR WIRES INDUSTRIES LIMITED

Term Loans of Rs.110,681,935/- (Previous Year: Rs.110,681,935/-) under various schemes of Financial Institutions (IDBI) are secured by exclusive charge on Fixed Assets purchased hereunder.

380,982 14% Secured Redeemable Debentures of Rs.30/- each (Non-Convertible Portion).

249,375 14% Secured Redeemable Debentures of Rs.20/- each (Non-Convertible Portion) and 10,300 14% Secured Redeemable Debentures of Rs.10/- each (Non-Convertible Portion) were redeemable at par on the expiry of the 7th, 8th, and 9th years from the respective dates of allotment i.e. of 4th February, 1992 and 18th February, 1992.

The aforesaid debentures have been secured by a second mortgage and charge (by execution of Debenture Trust Deed) on certain immovable and movable properties of the Company. They are also secured by a second mortgage and charge on the immovable and movable assets of the Company at Uttarpara and Nasik (save and except book debts) both present and future but excluding assets purchased/to be purchased under Deferred Payment Scheme, Asset Credit Scheme and equipments purchased/to be purchased against Rupee and Foreign Currency Loans granted/to be granted by Financial Institutions subject, however, to prior charges created/ to be created in favour of the Company's bankers on stocks and receivables for securing borrowings for working capital requirements.

4. Pursuant to Sanction of the Rehabilitation Scheme of BIFR vide its Order dated 10th June, 2010, the necessary effects have been given during the year in the Accounts as under :

	As at 31st March, 2011 (Rs.)	As at 31st March, 2010 (Rs.)	
a) The Equity Shares of the Company has been reduced by 80% whereby every Equity Shares of the face value of Rs. 10/- each has become Equity Shares of the face value of Rs. 2/- each fully paid up. The above reduction has been accounted for by way of Adjustment on account of Capital restructuring on the face of Profit & Loss Account	53,240,984		
b) The balance in Reserve & Surplus as been adjusted against Accumulated Losses and has been accounted for by way of Adjustment on account of Capital Restructuring of the face of Profit & Loss Account	<u>246,031,387</u>	299,272,371	
c) Apart from above, following liabilities has been restructured and given effect to under 'Write back (Net) on account of BIFR Scheme' on the face of Profit & Loss Account.			
i) Write back of accrued interest and principal amount of SBI India MF & SBI acif MF	932,349		
ii) Write back of accrued interest amount of NIA	122,730,955		
iii) Write back of accrued interest amount of OIC	79,873,355		
iv) Write back of ICD taken from promoters & Bodies Corporate including interest	29,962,910		
v) Write back of Sundry Creditors balances	82,642,216		
vi) Write back of accrued interest amount of SBI Lease Finance	105,099,638		
vii) Write back of accrued interest amount of MSEB	10,559,329		
viii) Write back of accrued interest amount of Demerger Stamp duty	23,059,261		
ix) Write back of accrued interest amount of SICOM	9,899,104		
x) Write back of accrued interest amount of SICOM Package Scheme	<u>2,009,912</u>	<u>466,769,029</u>	<u>199,046,093</u>
		<u>766,041,400</u>	<u>199,046,093</u>
d) Apart from above the effect of various reliefs and concessions as envisaged in the scheme will be given effect to as and when the requisite approvals are received.			

SHALIMAR WIRES INDUSTRIES LIMITED

	As at 31st March, 2011 (Rs.)	As at 31st March, 2010 (Rs.)
5. (a) Advances include Inter corporate deposits and interest due thereon. In view of the long outstanding position, no interest income has been accounted for since 2001-02.	56,539,424	56,539,424
(b) The above loans have not been repaid as stipulated. However, no provision against the same has been considered necessary.		
6. Sundry Debtors and Advances include Rs.2,875,455/- (Previous Year: Rs.2,875,455/-) outstanding since a long period. However, no provision against the same has been considered necessary.		
7. Amount due from Sundry Debtors, Loans & Advances given, which are considered good and dues to Sundry Creditors are subject to confirmation of the parties.		
	As at 31st March, 2011 (Rs.)	As at 31st March, 2010 (Rs.)
8. Sundry Creditors include : - Remuneration payable to Managing Director	514,305	2,721,198
9. Brokerage and Commission include : - Commission to Selling Agents	14,471,338	16,225,018
10. Sundry Creditors include Hire Purchase Creditors against the respective asset	4,876,608	1,866,508
11. Capital Work-In-Process includes advance on Capital Account	3,339,619	1,437,733
12. Loans due for repayment within one year : - Term Loans & Debentures	-	227,720,948
- Due to ARCIL	234,000,000	173,000,000
- Due to IDBI	34,800,000	34,985,241
	2010-11 (Rs.)	2009-10 (Rs.)
13. Payment to Auditors :		
(a) As Auditors	250,000	250,000
(b) As Tax Audit Fees	75,000	75,000
(c) For Certification & other services	109,060	84,000
(d) For Expenses	36,416	51,365
Total	470,476	460,365
14. Interest has been reported net after adjusting interest income (Gross) (Tax deducted at Source Rs. 128,161/-, Previous Year: Rs.141,898/-)	2,239,467	1,493,526
15. Debenture Redemption Reserve has not been created during the year in view of brought forward loss.		
16. 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 being a Sick Industrial Company.		
17. Salaries & Wages include Rs. 246,558/- (Previous Year Rs. 226,122/-) being expenses incurred on Research & Development.		
18. Earnings per share		
Profit/ (Loss) after taxation as per Profit and Loss account	586,149,309	204,680,263
Weighted average number of equity shares outstanding	6,655,123	6,655,123
Basic and diluted Earnings per Share (in Rupees)	88.07	30.76
(Face value - Rs.2/- per Share)		

SHALIMAR WIRES INDUSTRIES LIMITED

19. Related party disclosures under Accounting Standard 18 :

A. Names of related parties and nature of related party relationship :

- (a) Key Management Personnel :
Mr. Sunil Kumar Khaitan
- (b) Relatives of Key Management Personnel :
Mr. Anil Kumarr Khaitan (Brother of Mr. Sunil Kumar Khaitan)
Mr. Umaesh Khaitan (Brother 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
ASIL Industries Limited
Satya Sons Services Limited

B. Details of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2011.

Transactions with Related Parties	Enterprises over which significant Influence exists		Key Management Personnel		Relatives to Key Management Personnel		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Remuneration								
Mr. Sunil Kumar Khaitan	—	—	2,253,844	2,210,142	—	—	2,253,844	2,210,142
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	32,200	—	—	—	—	322,200	322,200
Accounts Receivable :								
Anil Special Steel Industries Ltd.	2,875,455	2,875,455	—	—	—	—	2,875,455	2,875,455
Shalimar Industries Limited	429,951	429,951	—	—	—	—	429,951	429,951
Accounts Payables :								
Mr. Sunil Kumar Khaitan	—	—	1,889,305	16,687,063	—	—	1,889,305	16,687,063
Mr. Anil Kumar Khaitan	—	—	—	—	674,727	3,374,727	674,727	3,374,727
Shalimar Industries Limited	13,537	135,373	—	—	—	—	13,537	135,373
Sunil Healthcare Limited	153,322	153,322	—	—	—	—	153,322	153,322
Satya Sons Services Limited	158	1,575	—	—	—	—	158	1,575

No amount has been written back / written off during the year in respect of due to / from related parties except write back of Inter Corporate Deposit payable payable of Rs. 15,075,000/- (Previous year Rs. Nil) and Sundry creditor balances of Rs. 123,253/- (Previous year Rs. Nil) as per BIFR order.

No provision for doubtful debts has been made in respect of dues from related parties.

- 20.** 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 Provisions) 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

21. Discontinued Operation :

- (a) The Company has discontinued its Nashik unit from 2nd July 2003 onwards.

Carrying amount as at 31st March 2011 of the total assets to be disposed off is Rs.54,337,012/- (Previous Year: Rs.70,415,280/-) and that of the total liabilities (excluding loans) to be settled is Rs.53,227,010/- (Previous Year: Rs.273,471,678/-).

The amount of revenue earned, expenses incurred and pre-tax losses from ordinary activities attributable to the discontinuing operation are as under :

	2010-2011	2009-2010
	(Rs.)	(Rs.)
Revenue Earned #	7,231,762	636,388
Expenses Incurred	30,979,070	72,529,827
Pre-tax Loss	23,747,308	71,893,439
# Excluding Exceptional Items		

- (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 lacs on account of stamp duty. Pursuant to the said order, Rs. 210.32 lacs is receivable from Jhagadia Copper Ltd. (formerly SWIL Ltd.) which will be accounted for as and when received.

22. 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, 2011 :

A. Primary Segment	2010-2011		2009-2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1. Segment Revenue				
(Gross Sales / Income from each segment)				
(a) Paper Mill Products				
i) External Revenue	788,030,919		710,501,209	
ii) Intersegment Revenue	<u>—</u>	788,030,919	<u>—</u>	710,501,209
(b) Strip & Wire				
i) External Revenue	135,438,103		123,968,729	
ii) Intersegment Revenue	<u>—</u>	135,438,103	<u>—</u>	123,968,729
(c) Others		<u>—</u>		182,631
		<u>923,469,022</u>		<u>834,652,569</u>
2. Segment Results [(Profit / (Loss) before Tax and interest]				
		2010-2011		2009-2010
		(Rs.)		(Rs.)
(a) Paper Mill Products		201,710,418		210,560,806
(b) Strip & Wire		(38,767,238)		(101,247,008)
(c) Others		(304,650)		163,839
Total		<u>162,638,530</u>		<u>109,477,637</u>
Less : Interest Cost		(43,258,250)		(103,843,467)
Add : Exceptional Items : Write back (Net) account of BIFR scheme		466,769,029		199,046,093
Total Profit / (Loss) before Tax		<u>586,149,309</u>		<u>204,680,263</u>

SHALIMAR WIRES INDUSTRIES LIMITED

3. Net Segment Assets (Segment Assets less Segment Liabilities)				
	As at 31st March, 2011		As at 31st March, 2010	
	Assets	Liabilities	Assets	Liabilities
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(a) Paper Mill Products	949,776,125	124,377,359	901,082,795	113,805,735
(b) Strip & Wire	119,320,144	73,166,190	151,256,207	294,514,884
(c) Unallocable liabilities less unallocable assets.	80,190,612	37,082,552	65,724,792	37,137,767
	1,149,286,881	234,626,101	1,118,063,794	445,458,386
4. Capital expenditure including capital work-in-progress and depreciation				
	2010-2011		2009-2010	
	Capital Expenditure	Depreciation	Capital Expenditure	Depreciation
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(a) Paper Mill Products	31,846,128	45,261,817	62,588,405	46,551,402
(b) Strip & Wire	—	13,336,339	—	17,107,236
(c) Others	—	—	—	—
Total	31,846,128	58,598,156	62,588,405	63,658,638
5. Significant non cash expenses other than Depreciation				
		2010-2011	2009-2010	
		(Rs.)	(Rs.)	
(a) Paper Mill Products		13,350,722	—	
(b) Strip & Wire		15,710,307	—	
(c) Others		—	18,792	
Total		29,061,029	18,792	

B. Secondary Segment

Geographical distribution of segment revenues

	Paper Mill Products	Strip & Wire	Others	Total
	Rs.	Rs.	Rs.	Rs.
1. India	639,452,666 (538,218,630)	115,775,796 (111,032,630)	— (182,631)	755,228,462 (649,433,891)
2. European Continent	— (—)	16,522,013 (11,165,969)	— (—)	16,522,013 (11,165,969)
3. African Continent	5,598,577 (6,397,545)	— —	— —	5,598,577 (6,397,545)
4. U.S.A.	— —	52,137 —	— —	52,137 —
5. Other Asian Countries	142,979,676 (165,885,034)	3,088,157 (1,770,130)	— —	146,067,833 (167,655,164)
Total	788,030,919 (710,501,209)	135,438,103 (123,968,729)	— (182,631)	923,469,022 (834,652,569)

NOTE :

- i) The Company has disclosed business segment as the primary segment.
- ii) Transactions between segments are for materials which are transferred at cost.
- iii) 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.
- iv) 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.

SHALIMAR WIRES INDUSTRIES LIMITED

23. Intangible Assets :		
The unamortized amount of Preliminary Expenses not written off : Nil		
24. Disclosure in terms of Accounting Standard-29 on Provisions, Contingent Liabilities and Contingent Assets :		
(a) Movement for Provision for Liabilities :	(Rs.)	
Particulars	Legal Cases	
Balance as at 1st April, 2010	3,50,000	
Provided During the period	—	
Amount used during the period	—	
Reversed during the period	—	
Balance as at 31st March, 2011	3,50,000	
Timing of outflow/uncertainties	Outflow on settlement/Crystallization	
(b) The Contingent Liabilities & Liabilities mentioned at Sl. No. 1 & 24 (a) respectively are dependent upon Court decision/out of Court Settlement/Disposal of appeals, etc.		
(c) No reimbursement is expected in the case of Contingent Liabilities & Liabilities shown respectively under Sl. No. 1 & 24 (a) above.		
25. a) Computation of net profit u/s 349 of the Companies Act, 1956 has not been given as no Commission has been paid to the Directors.		
b) Minimum Remuneration paid/payable to Directors and debited under respective Head of Accounts.		
	2010-2011	2009-2010
	(Rs.)	(Rs.)
Salary	1,800,000	1,800,000
Contribution to - PF	216,000	216,000
Perquisites	237,844	194,142
	<u>2,253,844</u>	<u>2,210,142</u>
26. The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31.03.11. The disclosure pursuant to the said Act is as under :		
	2010-2011	2009-2010
	(Rs.)	(Rs.)
Principal amount due to suppliers under MSMED Act, 2006 as at the year end	453,330	2,560,674
Interest accrued & due to suppliers under MSMED Act on the above amount, unpaid	—	—
Payment made to suppliers (other than interest) beyond the appointed day during the year	8,586,502	2,883,307
Interest paid to suppliers under MSMED Act (other than Section 16)	—	—
Interest paid to suppliers under MSMED Act (Section 16)	55,788	48,522
Interest due and payable towards suppliers under MSMED Act for payments already made	—	—
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	—	55,788
Note : The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.		
27. Deffered Tax Liabilities (Net)		
	As at 31st	As at 31st
	March, 2011	March, 2010
	(Rs.)	(Rs.)
Deferred Tax Liabilities		
Accumulated Depreciation	122,475,145	122,475,145
Deferred Tax Assets		
Accrued expenses deductible on payment	112,904,161	112,904,161
Deferred Tax Liabilities (net)	<u>9,570,984</u>	<u>9,570,984</u>

28. Employee benefits (Revised Accounting Standard 15)

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 Provident Fund, Superannuation Fund, Employee State Insurance Scheme and Labour Welfare Fund are considered as defined contribution plan except that Provident 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 :

	2010-2011 (Rs.)	2009-2010 (Rs.)
Defined Contribution Plan		
Employer's Contribution to Provident Fund	8,377,850	7,568,534
Employer's Contribution to Superannuation Fund	—	—
Employer's Contribution to Employee State Insurance Scheme	3,241,555	1,444,320
Employer's Contribution to Labour Welfare Fund	9,378	7,202

Defined Benefit Plan :

Post employment and other long-term employee benefits in the form of gratuity and leave encashment are considered as Defined Benefit Obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognized in the Balance Sheet represent the present value of the obligation as adjusted for unrecognized past service cost and as reduced by the fair value of plan assets.

Provident 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. There is no interest shortfall as at the year end. As advised by an independent actuary, it is not practical or feasible to actuarially value the liability considering that the rate of interest is notified by the Government . Accordingly other related disclosures in respect of Provident Fund have not been made.

Any Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the Profit and Loss Account for the year in respect of Employees Benefit Schemes based on actuarial reports is as follows :

(Rs. in Lacs)

	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	10-11	09-10	10-11	09-10	10-11	09-10
I. Components of Employer Expense :						
1. Current Service Cost	(5.04)	(0.09)	22.58	20.46	4.51	2.50
2. Past Service Cost	—	—	—	—	—	—
3. Interest Cost	4.13	4.04	2128	18.03	8.59	7.53
4. Expected Return on Plan Asset	—	—	(5.01)	(4.17)	—	—
5. Actuarial (gain)/loss recognized in the year	—	—	4.36	30.29	23.54	8.09
6. Expense recognized in statement of Profit & Loss Account	(0.91)	3.95	43.21	64.61	36.64	18.12

SHALIMAR WIRES INDUSTRIES LIMITED

(Rs. in Lacs)						
	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	10-11	09-10	10-11	09-10	10-11	09-10
II. Change in Present Value of Defined Benefit Obligation						
1. Present Value of Defined Benefit Obligation at the beginning of the year	48.95	45.00	250.64	200.21	100.68	99.50
2. Interest Cost	4.13	4.04	21.28	18.03	8.59	7.53
3. Past Service Cost	—	—	—	—	—	—
4. Current Service Cost	(05.04)	(0.09)	22.58	20.46	4.51	2.50
5. Benefits paid	—	—	(17.77)	(19.32)	(19.98)	(16.94)
6. Actuarial (gain)/loss	—	—	4.76	31.26	23.54	8.09
7. Present Value of Obligation at the end of the year	48.04	48.95	281.49	250.64	117.34	100.68
III. Change in fair value of Plan Assets during the year ended 31st March, 2011 :						
1. Plan Assets at the beginning of the year	48.95	45.00	56.90	47.24	—	—
2. Expected Return on Plan Assets	—	—	5.01	4.16	—	—
3. Actual Company Contribution	(0.91)	3.95	23.90	23.85	19.98	16.94
4. Benefits Paid	—	—	(17.77)	(19.32)	(19.98)	(16.94)
5. Actuarial (gain)/loss	—	—	0.40	0.97	—	—
6. Plan Assets at the end of the year	48.04	48.95	68.44	56.90	—	—
IV. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2011 :						
1. Present value of Defined Benefit Obligation	53.43	49.12	281.48	250.64	117.34	100.68
2. Fair Value on Plan Assets	—	—	68.44	56.90	—	—
3. Funded Status [Surplus/(Deficit)]	—	—	(213.04)	(193.74)	(117.34)	(100.68)
4. Net Asset/(Liability) recognized in Balance Sheet	(53.43)	(49.12)	(213.04)	(193.74)	(117.34)	(100.68)
V. Actuarial Assumptions						
1. Discount Rate(per annum)	—	—	8.00%	8%	8% / 7.50%	8% / 7.50%
2. Expected rate of return on Plan Assets(per annum)	—	—	N.A.	N.A.	N.A.	N.A.
3. Salary increases	—	—	5%	5%	5% / 6.5%	5% / 6%
4. Retirement / Superannuation age	—	—	58 years	58 years	58 years	58 years
5. Mortality	—	—	LIC (1994-96) ultimate Mortality Rates	LIC (1994-96) ultimate Mortality Rates	LIC (1994-96) ultimate Mortality Rates	LIC (1994-96) ultimate Mortality Rates
VI. Major Category of Plan Assets as a % of the Total Plan Assets as at year end :	—	—	N.A.	N.A.	—	—
VII. Experience Adjustments :						
1. Defined Benefit Obligation	—	—	281.48	250.64	99.99	85.70
2. Plan Assets	—	—	68.44	56.90	—	—
3. Funded Status	—	—	(213.04)	(193.74)	(99.99)	(85.70)
4. Experience Gain/(Loss) adjustments on Plan Liabilities	—	—	(4.76)	(31.26)	(22.11)	(8.55)
5. Experience Gain/(Loss) adjustments on Plan Assets	—	—	0.40	0.97	—	—
VIII. Expected Employer's Contribution for the next year :						
Expected Employer's Contribution for the next year	—	—	42.89	40.42	—	—

IX. 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.

X. 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 Schedule - L.

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 three annual periods are not available and therefore, not disclosed.

29. Information as required under Paragraphs 3, 4C and 4D of Part II & Part IV of Schedule VI to the Companies Act, 1956 are annexed herewith.

30. Previous year's figures have been regrouped/rearranged wherever considered necessary. Signatories to Schedule "A" to "O"

As per our Report of even date annexed

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

Chartered Accountants

FR No. 302082E

CA Sunita Kedia

Membership No. 60162

Partner

Kolkata, 2nd August, 2011

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

Chartered Accountants

FR No. 302034E

CA A. Datta

Membership No. 5634

Partner

Kolkata, 2nd August, 2011

S. J. Sengupta

Sr. V. P. & (CFO)

Sunil Khaitan

Managing Director

S. K. Kejriwal

Company Secretary

Dipak Dasgupta

Director

SHALIMAR WIRES INDUSTRIES LIMITED

Information as required under Paragraph 3, 4C and 4D of Part II & Part IV of Schedule VI to the Companies Act, 1956

As per the General Notification No. S.O. 301(E) dated 8th February, 2011 issued under Section 211 (3) of the Companies Act, 1956 has exempted certain classes of companies from disclosing certain information in their Profit and Loss Account. The Company being an "export oriented company" is entitled to the exemption. Accordingly, disclosure mandated by paragraphs 3(i)(a), 3(ii)(a), 3(ii)(b) and 3(ii)(d) of part II of schedule VI of Companies Act, 1956 have not been provided. The other information pursuant to provisions of paragraphs 3 & 4 of Schedule VI to the Companies Act, 1956 are as under :

1. Goods Produced / Traded in	Unit	Licensed Capacity (per annum)	Installed Capacity (per annum)	(a)	Production
Wire Cloth / Fabric for Pulp, Paper & Board Industry	Sq. Mtr.	1740,000 (174,000)	207,000 (207,000)		220,280 (b) (200,876) (b)
Copper & Copper Alloy Wires including Monel Wire	M. T.	1,520 (1,520)	900 (900)	(c) (c)	204 (b) (237) (b)
Stainless Steel Wires	M. T.	250 (250)	125 (125)		— —
Dandy Roll & Dandy Roll Bracket	No.	100 (100)	420 (420)		15 (33)

Others

(a) Installed capacity is as certified by the Management.

(b) Include production for Captive Consumption :

	2010-11 Sq. Mtr.	2009-10 Sq. Mtr.
Wire Cloth / Fabric for Pulp, Paper & Board Industry	279	—

(c) Includes installed capacity of Nashik Unit which is under closure since 2003.

		Rs.	%
2. Total value of Raw Materials and Stores & Spares Consumed :			
Raw Materials	: Imported.....	149,717,854 (139,363,249)	71.60 (75.09)
	Indigenous.....	59,387,540 (46,220,015)	28.40 (24.91)
		<u>209,105,394</u> (185,583,264)	<u>100</u> (100)
Stores and Spares	: Imported.....	7,120,943 (6,838,779)	15.47 (15.73)
	Indigenous.....	38,914,875 (36,644,522)	84.53 (84.27)
		<u>46,035,818</u> (43,483,301)	<u>100</u> (100)

SHALIMAR WIRES INDUSTRIES LIMITED

3.	Value of Imports Calculated on C.I.F. basis	Rs.
	Raw materials	139,091,353 (137,395,514)
	Stores & Spares.....	12,648,871 (12,765,087)
	Capital Goods.....	689,602 (24,648,475)
4.	Expenditure in Foreign Currency (on cash basis)	
	(a) Travelling.....	5,045,776 (4,981,254)
	(b) Commission to Selling Agents.....	14,471,338 (16,870,418)
	(c) Others.....	40,593 (10,715)
5.	Earnings in Foreign Exchange	
	Export on FOB basis	170,952,734 (188,779,614)
6.	Figures in bracket indicate Previous year's figures which have been rearranged/regrouped wherever considered necessary.	

SHALIMAR WIRES INDUSTRIES LIMITED

8. Additional information as required under Part IV of Schedule VI to the Companies Act,1956

Balance Sheet Abstract and Company's General Business Profile :

1. Registration No.	81521
State Code	21
Balance Sheet Date	31st March 2011
	(Rs'000)
2. Capital raised during the period :	
Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL
3. Position of mobilisation and deployment of funds :	
Total Liabilities *	2,971,910
Total Assets	2,971,910
Sources of Funds :	
Paid-up Capital	306,745
Share Application Money	12,000
Reserves & Surplus	—
Secured Loans	2,606,851
Unsecured Loans	36,743
Deferred tax Liability	9,571
Application of Funds :	
Net Fixed Assets	404,438
Investments	3,162
Net Current Assets	516,632
Miscellaneous Expenditure	—
Debit balance of Profit & Loss Account	2,047,678
* Excluding Current Liabilities & Provisions of Rs. 225,055 Thousand.	
4. Performance of Company :	
Turnover (including Other Income)	856,561
Total Expenditure	737,181
Profit/(Loss) before Exceptional Items and Tax	119,380
Profit/(Loss) before Tax	586,149
Profit/(Loss) after Tax	586,149
Earning per Equity Share (in Rs.)	88.07
Dividend Rate	NIL
5. Generic Names of Principal Products, Services of the Company :	
Item Code No.	Product Description
59.11	Synthetic Fabric for Pulp, Paper and Board Industry
74.08	Copper & Copper Alloy Wire
73.14	Stainless Steel Wire Cloth

As per our Report of even date annexed

For **G. P. AGRAWAL & CO.**
Chartered Accountants
FR No. 302082E
CA Sunita Kedia
Membership No. 60162
Partner
Kolkata, 2nd August, 2011

For **S. S. KOTHARI & CO.**
Chartered Accountants
FR No. 302034E
CA A. Datta
Membership No. 5634
Partner
Kolkata, 2nd August, 2011

S. J. Sengupta
Sr. V. P. & (CFO)

Sunil Khaitan
Managing Director

S. K. Kejriwal
Company Secretary

Dipak Dasgupta
Director

SHALIMAR WIRES INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Description	For the Year Ended 31st March, 2011 Rs.	For the Year Ended 31st March, 2010 Rs.
A. Cash Flow from Operating Activities :		
Net Profit/(Loss) before Tax	586,149,309	204,680,263
Adjustments For :		
Depreciation	58,598,156	63,658,638
Provision for impairment loss	15,015,337	—
Income from Exceptional Items	(466,769,029)	(199,046,093)
Loss on Sale / discardation of Fixed Assets (Net)	3,529,035	53,368,296
Dividend Received	—	(84,450)
Interest Expense (Net)	43,258,250	103,843,467
Preliminary Expenses etc. Written Off	—	18,792
Advances Written Off	694,970	—
Provision for Diminution in value of Investments written back	304,650	(98,181)
Debts Written Off	13,350,722	—
Operating profit before working capital changes	254,131,400	226,340,732
Adjustments For :		
Trade & Other Receivables	(63,449,423)	9,133,339
Inventories	(7,316,986)	(1,783,972)
Trade & Other Payables	(222,221,736)	2,643,304
Cash Generated from Operations	(38,856,745)	236,333,403
Taxes Paid	(120,478)	(933,151)
Net Cash from Operating activities (A)	(38,977,223)	235,400,252
B. Cash Flow From Investing Activities :		
Additions to Fixed Assets	(31,846,128)	(62,588,405)
Sale of Fixed Assets	1,169,726	52,963,202
Dividend Received	—	84,450
Net Cash Used in Investing Activities (B)	(30,676,402)	(9,540,753)
C. Cash Flow from Financing Activities :		
Proceeds from Long term Borrowings (Net)	361,345,331	169,567,641
Proceeds from Short term Borrowings (Net)	(29,962,910)	(285,107,524)
Interest Paid	(240,576,128)	(121,004,322)
Net Cash Flow from Financing activities (C)	90,806,293	(236,544,205)
Net Increase in Cash & Cash Equivalents (A+B+C)	21,152,668	(10,684,706)
Cash & Cash Equivalents (Opening Balance)	60,675,686	71,360,392
Cash & Cash Equivalents (Closing Balance)	81,828,354	60,675,686
Net Increase/(Decrease) in Cash & Cash Equivalents	21,152,668	(10,684,706)

NOTES :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Additions to Fixed Assets include movement of Capital Work in-Progress during the year.
- Proceeds from Long Term Borrowings are shown net of repayments.
- Figures in brackets indicate deductions.
- Previous Year Figures have been rearranged/regrouped wherever considered necessary.
- Cash & Cash Equivalents do not include any amount which is not available to the company for its use.
- Cash & Cash Equivalent at the end of the year and Reconciliation with Balance Sheet.

i) Cash in Hand	1,323,124	1,409,747
ii) Balance with Scheduled Banks in Current Accounts	80,505,230	59,265,939
Cash & Cash Equivalent as reported in Cash Flow statement	81,828,354	60,675,686
Add : Balance in Margin Money Account	10,522,687	7,479,153
Cash & Bank Balance as reported in Balance Sheet	92,351,041	68,154,839

As per our attached Report of even date

For **G. P. AGRAWAL & CO.**
Chartered Accountants
FR No. 302082E
CA Sunita Kedia
Membership No. 60162
Partner
Kolkata, 2nd August, 2011

For **S. S. KOTHARI & CO.**
Chartered Accountants
FR No. 302034E
CA A. Datta
Membership No. 5634
Partner
Kolkata, 2nd August, 2011

S. J. Sengupta
Sr. V. P. & (CFO)

Sunil Khaitan
Managing Director

S. K. Kejriwal
Company Secretary

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.

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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

15th 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 15th ANNUAL GENERAL MEETING of the Company at Science City Mini Auditorium, J.B.S. Haldane Avenue, Kolkata - 700 046, on Friday, the 30th September, 2011 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 15th ANNUAL GENERAL MEETING of the Company at Science City Mini Auditorium, J.B.S. Haldane Avenue, Kolkata - 700 046, on Friday, the 30th September, 2011 at 10.00 a.m. and at any adjournment thereof.

Signed this.....day of.....2011

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