



Shalimar

**22ND ANNUAL REPORT
2017-2018**

Our beloved Founder Chairman



Sri S. N. Khaitan
(1922-1999)

He continues to guide us towards Excellence

*through Latest Technology, Customer
Satisfaction and Exports.*

He lives in the hearts of tomorrow.

Board of Directors**Chairman & Managing Director**

SUNIL KHAITAN

Directors

MANASH CHAKRABORTY (Nominee Director representing ARCIL till 2nd August, 2018)

DIP MITRA (Nominee Director representing ARCIL w.e.f. 2nd August, 2018)

DIPAK DASGUPTA

SURABHI SANGANERIA

PARMANAND TIWARI (w.e.f. 13th August, 2018)

DR. RAJIVA (w.e.f. 13th August, 2018)

Executives

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

S. J. SENGUPTA – President & Chief Financial Officer

S. K. KEJRIWAL – Vice President (Corporate Affairs) & Company Secretary

Solicitors

Khaitan & Co.

Jhunjhunwala & Co.

Chaubey & Co.

Statutory Auditor

Khandelwal Ray & Co.

Bankers

Kotak Mahindra Bank Limited

Registered and Head Office

25, Ganesh Chandra Avenue

Kolkata- 700 013

CIN : L74140WB1996PLC081521

Tel : 91-33-22349308/09/10, Fax: 91-33-2211 6880

website : www.shalimarwires.com

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DIRECTOR'S REPORT

To the Members

Your Directors have pleasure in presenting the 22nd Annual Report on the working of the Company together with the audited accounts for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

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

Particulars	2017-18	2016-17
	(Rs. In lacs)	(Rs. In lacs)
Revenue from Operations (Net)	10806.67	10216.08
Other Income	331.49	445.83
Total Revenue	11138.16	10661.91
Less : Total Expenses	10915.92	9110.59
Profit before Finance Cost and Depreciation	222.24	1551.32
Less : Finance Cost	797.06	731.82
Depreciation and Amortization Expense	536.27	632.54
Profit before exceptional/extra-ordinary items	(1111.09)	186.96
Add : Exceptional Items	21457.65	1990.30
Profit before Tax	20346.56	-
Add : Deferred Tax	-	2177.26
Profit for the year from continuing operation	20346.56	-
Profit/(Loss) from discontinuing operation	-	2177.26
Other comprehensive income	42.75	-
Profit for the year	20389.31	2177.26

FINANCIAL STATEMENTS (IND-AS)

The financial statements for the year ended 31st March, 2018 have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. The financial statements for the year ended 31st March, 2017 have been restated in accordance with IND AS for comparative information. For the purposes of transition to IND AS, the Company has followed the guidance prescribed in IND AS 101 "First-time adoption of Indian Accounting Standards" on 1st April, 2016 as the transition date.

OPERATIONAL REVIEW

During the year under review, total revenue of the company was Rs. 11138.16 lacs as compared to Rs.10661.91 lacs in the previous year. The operating surplus (profit before finance cost and depreciation) of the Company was Rs. 222.24 lacs as compared to Rs.1551.32 lacs in the previous year. During the year, the Company has shown profit of Rs. 21457.65 lacs as exceptional item on account of write back of interest and other debts on account of settlement of outstanding dues of Asset Reconstruction Company (India) Limited and IDBI and total profit for the year is Rs. 20389.31 lacs as against Rs. 2177.26 lacs in the previous year.

DIVIDEND

Your Directors does not recommend any dividend on Equity Shares for the year under review.

RESERVES

During the financial year under review, the Company has transferred carry forward profit of Rs. 20389.31 lacs to General Reserve.

EXPORT

The Company's export turnover was Rs. 2084.15 lacs during the year under review, as compared to Rs. 2303.84 lacs in the previous year.

DEPOSITS

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

SETTLEMENT OF FINANCIAL CREDITORS

The Company has settled the outstanding debts of Assets Reconstruction Company (India) Limited (ARCIL) during the year and have also issued 51,50,000 equity shares of Rs. 2/- each against conversion of outstanding interest amounting to Rs. 165.87 crores in terms of the sanctioned scheme approved by BIFR. Upon settlement of ARCIL's dues, debts pertaining to State Bank of India, Allahabad Bank, Bank of India, Canara Bank, Indian Overseas Bank, National Insurance Company Ltd. and Industrial Investment Bank of India stand fully satisfied. The Company had also settled the total outstanding dues of IDBI Bank (debts of which were assigned to ARCIL) and with this settlement, Company has repaid total debts of secured creditors except New India Assurance Company Ltd. and Oriental Insurance Company Ltd. for which Company is hopeful that one time settlement with these insurance companies will be completed shortly.

The Company has availed working capital and other fund based/non fund based facilities from Kotak Mahindra Bank for its working capital requirement and ongoing expansion cum modernization plan.

MODERNIZATION CUM EXPANSION PLAN

The Company has taken major capacity expansion and up-gradation plan for manufacturing facilities at Uttarpara unit due to change in market dynamics and demand for hi-tech products which will result in increase in production level of synthetic forming fabric and larger market share. The company is hopeful that with such capacity expansion and up-gradation plan in its existing manufacturing facilities, profitability of the company will increase substantially in coming years.

TRANSFER TO INVESTORS' EDUCATION AND PROTECTION FUND

In terms of exemption granted by erstwhile Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 10th June, 2010, the Company has been making payment to the debentureholders under public category as and when debenture certificates were surrendered by them with the Company. In view of dissolution of BIFR, Company has sought the opinion of legal consultants in this regard. In the meantime, Company is continuing to make payment to the debentureholders under public category as and when debenture certificates are surrendered to the company.

DIRECTORS

As per provisions of Section 152 of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014, Mr. Sunil Khaitan (DIN 00385961) Director of the Company, retires by rotation and being eligible offer himself for reappointment. The resolution has been included in the Agenda of the ensuing Annual General Meeting. Approval of the members is sought for the said appointment.

The nomination of Mr. Manash Chakraborty as Nominee Director of the Company was withdrawn by Asset Reconstruction Company (India) Ltd. (ARCIL) w.e.f. 2nd August, 2018 and Mr. D. Mitra was appointed as Nominee Director of the Company in his place w.e.f. 2nd August, 2018. The board placed on record its deep appreciation of valuable contribution made by Mr. Manash Chakraborty during his tenure as Director of the Company.

The Board appointed Mr. Parmanand Tiwari (DIN 00731341) and Dr. Rajiva (DIN 05193258) as Additional Directors of the Company on 13th August, 2018 who shall hold office up to the date of the ensuing Annual General Meeting. The company has received notices as per the provisions of section 160(1) of the Companies Act, 2013 from members proposing their appointment as directors. Based on Mr. Tiwari's vast knowledge and experience in finance and taxation matter and Dr. Rajiva's vast knowledge and experience in banking sector, the Board recommended the appointment of Mr. Parmanand Tiwari and Dr. Rajiva as Independent Directors who shall hold office for five consecutive years until the conclusion of Annual General Meeting to be held in the year 2023.

In terms of Regulation 17(1A) of Listing Regulations as inserted by the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, which is effective from 1st April 2019, the continuation of the directorship of Mr. Dipak Dasgupta, who have already attained the age of 75 years is recommended for the approval of the Members by way of Special Resolutions at the forthcoming Annual General Meeting.

Brief particulars of the said directors as stipulated under Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been given in the Notice convening the ensuing annual general meeting and your Board recommend appointment/re-appointment as set out in the Notice.

KEY MANAGERIAL PERSONNEL (KMPs)

There was no change in key managerial personnel during the year under review.

DECLARATION FROM INDEPENDENT DIRECTORS

The independent directors have submitted their declaration of independence as required under Section 149(6) of the Companies Act, 2013 read with the Schedules and rules issued thereunder as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Board is of the opinion that they are independent within the meaning of the said requirement of the Act.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board of Directors of the Company, based on the recommendation of the Nomination & Remuneration Committee has formulated a Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy has been placed on the website of the Company at www.shalimarwires.com under the weblink http://www.shalimarwires.com/uploaded/5b71775bcd5ef_Nomination%20&%20Remuneration%20Policy.pdf

STATUTORY AUDITORS

In terms of Section 139(2) of the Companies Act, 2013, M/s. Khandelwal Ray & Co. Chartered Accountants, Kolkata (Regn. No. 302035E) were appointed as the Statutory Auditors for a period of 5 years commencing from the conclusion of the 21st Annual General Meeting till the conclusion of the 26th Annual General Meeting at a remuneration to be fixed by the Board from time to time.

Pursuant to the provisions of section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the audit committee during the year under review.

AUDITORS' REPORT

The comments made by the Auditors in their report and other relevant points in Annexure to their report are self-explanatory. The relevant notes to the accounts also clarify the points referred to by the Auditors. The Auditors have drawn attention of the members in qualified opinion of their report and point wise clarification of your Directors on such qualified opinion is as under :

1. Point No. (a) regarding the claims receivable from octroi department in respect of the closed Nasik unit, your Company is hopeful of either receiving the claims or will be adjusting the claims with the dues of octroi dept., if any, payable by the Company.
2. Regarding Point no. (b), your Company has not made the provision of contingent liabilities since quantum of liability can not be ascertained pending settlement/disposal of appeals. The Company is hopeful of getting favourable orders from the appellate authorities in respect of such appeal.

COST AUDITORS

The Audit Committee in its meeting held on 23rd May, 2018 has recommended the reappointment of M/s. Mitra Bose & Associates, the Cost Auditor to conduct the cost audit of the company for the financial year 2018-19 in terms of section 148(3) of the Companies Act, 2013. Accordingly the Board appointed the said firm of Cost Accountants to carry out the cost audit for the year 2018-19 on the remuneration as recommended by the Board to be fixed by members in the ensuing Annual General Meeting of the Company. The Auditors' Report are self-explanatory and therefore do not call for any further explanations/comments.

INTERNAL AUDIT

The Company has engaged M/s. Chaturvedi & Co., Chartered Accountants as its Internal Auditor and their scope of work and the plan for audit has been approved by the Audit Committee. The report submitted by them to the Audit Committee is regularly reviewed and their findings are discussed with the senior management and suitable corrective action taken on an ongoing basis to improve efficiency in operations.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. MR & Associates, Practising Company Secretaries to undertake the Secretarial Audit of the company for the financial year 2018-19. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report. The report of the Secretarial Audit is annexed herewith as Annexure - III.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards.

OTHER DISCLOSURES**CORPORATE GOVERNANCE REPORT**

The Corporate Governance Report and a certificate from the Statutory Auditors M/s. Khandelwal Ray & Co., Chartered Accountants regarding compliance of the conditions of corporate governance as stipulated in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) 2015 is given in Annexure I, forming part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Sec. 135 of the Companies Act, 2013 stipulates expenditure of 2% of the average net profit of preceding 3 financial years on CSR activities. The Act requires the Board to constitute a Corporate Social Responsibility Committee of the Board which has already been constituted. The company has formulated CSR Policy for promotion of education, healthcare and other activities which is uploaded on website of the company. The net profit of the Company in terms of Section 198 of the Companies Act, 2013 during the preceding financial year is below the stipulated limit of Rs. 5 crores and hence the relevant provision of the Act is not applicable on the Company.

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY ETC.

Necessary information pursuant to sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is presented in Annexure -II to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report have been made a part of the Annual Report and is annexed to this report.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has an Internal Control System based on values of integrity and operational excellence. Pursuant to the provisions of section 134(5)(e) of the Act, Your Company has in consultation with a reputed consultancy firm strengthened the existing financial controls of the Company. Such internal financial controls were found to be adequate for a size of the company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

Pursuant to Section 134 of the Companies Act, 2013 there has been no material changes and commitments affecting the financial position of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loan, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 is given in the Financial Statement forming part of the Annual Report.

ENVIRONMENT, SAFETY AND DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is conscious of clean environment and safe operations. It ensures safety of all concerned, compliance with environmental regulations and preservation of natural resources. As required under section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013, the Company has an internal policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

INSURANCE

Adequate insurance cover has been taken for properties of the Company including buildings, plant and machineries and stocks against fire, earthquake and other risks as considered necessary. The Company has also taken Directors & Officers Liability Insurance to protect and safeguard the directors and officers of the Company from the risk of getting sued or being held legally responsible for any sort of malpractices, negligence or injury.

EXTRACT OF ANNUAL RETURN

The details for the financial year ended 31st March, 2018 forming part of the extract of the annual return is enclosed as Annexure - IV and also disclosed on the website of the Company at www.shalimarwires.com.

CHANGE IN SHARE CAPITAL

During the year ended 31st March, 2018 the Company has issued 51,50,000 equity shares of Rs. 2/- each to Asset Reconstruction Company (India) Limited (ARCIL) against conversion of outstanding interest and has made a redemption of 29,34,349 - 8% Cumulative Redeemable Preference Shares of Rs. 100/- each and the issued and subscribed capital of the company as on 31st March, 2018 is Rs. 855.10 lacs comprising of 4,27,55,123 equity shares of Rs. 2/- each.

NUMBER OF BOARD MEETINGS

The Board of Directors met six times during the year ended 31st March, 2018 (16th May, 2017, 14th August, 2017, 8th November, 2017, 20th January, 2018, 9th February, 2018 and 13th March, 2018). The details of the Board meetings and the attendance of Directors are provided in the Corporate Governance Report.

COMPOSITION OF COMMITTEE OF DIRECTORS

The Board has constituted the following Committees of Directors: (a) Audit Committee, (b) Nomination & Remuneration Committee. (c) Stakeholder Relationship Committee. The detailed composition of above Committees is given in Corporate Governance Report.

RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis and are in compliance with the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc, which may have potential conflict with the interest of the Company at large. All related party transactions are presented to the Audit Committee and the Board for its approval. The related party transactions policy as approved by the Board is uploaded on Company's website: www.shalimarwires.com. Disclosure as required under Accounting Standard- 18 and in terms of point A(2) and Schedule V of the SEBI Listing Regulations, 2015 have been made in note no. 41 to the financial statements for the year ended 31st March, 2018.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulation 25(7) of the SEBI Listing Regulations, 2015, your Company is required to conduct Familiarisation Programme for Independent Directors (IDs) to familiarise them about our Company including nature of industry in which your Company, roles, rights and responsibilities of IDs and any other relevant information. Further, pursuant to Regulation 46 of the SEBI Listing Regulations, 2015, your Company is required to disseminate on its website, details of familiarisation programme imparted to Independent Directors during the year. During the year under review, four familiarisation programmes were conducted during the Board meetings of the Company.

Further, the Board has open channels of communication with the executives which allows free flow of communication among Directors in terms of raising query, seeking clarifications and other related information.

ANNUAL EVALUATION OF BOARD AND IT'S COMMITTEES PERFORMANCE

During the financial year, the Board evaluated its own performance as well as that of its Committees and individual Directors. The exercise was carried out covering various aspects of the Boards functioning such as composition of the Board & committees, qualification, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of Non-Independent Directors. The performance of Independent Directors has been evaluated based on the guidelines as provided under Schedule IV of the Act. The evaluation of the Independent Directors was carried out by the entire Board except by the Director being evaluated. The directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

PARTICULARS OF EMPLOYEES

The prescribed particulars of employees and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure - V to this report. There was no employee in receipt of annual remuneration of Rs. 102,00,000/- or more or monthly remuneration of Rs. 8,50,000/- or more in current financial year and the details of top 10 employees' remuneration are available at the Registered Office of the Company during working hours for 21 days before the Annual General Meeting and shall be made available to any shareholder on request, as required under provision of section 197 of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

As required under section 177(9) & (10) of the Companies Act, 2013, the Company has established a vigil mechanism/whistle blower policy. The policy allows intimation by affected persons in good faith of concern or misconduct through a written communication. The Audit Committee oversees the vigil mechanism for disposal of the complaint. Direct access to the Chairman

of the Audit Committee is also allowed in exceptional cases. The vigil mechanism/whistle blower policy is available on the Company's website at www.shalimarwires.com under the weblink http://www.shalimarwires.com/uploaded/54dee9cacd6ff_Whistle%20Blower%20Policy.pdf

RISK MANAGEMENT

The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures, which shall be responsible for framing, implementing and monitoring the risk management plan of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the year under review are in conformity with the requirements of the Act and the Accounting Standards. The financial statements reflect fairly the form and substance of transactions carried out during the year under review and reasonably presents your Company's financial condition and results of operations.

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Board of Directors to the best of their knowledge and ability confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any, save and except as mentioned in the Auditors' Report.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts on a going concern basis;
- v) The Directors have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DISCLOSURES

Following disclosures are made under the Companies (Accounts) Rules, 2014:

- (i) The financial summary or highlights are discussed at the beginning of this report;
- (ii) There is no change in the nature of business;
- (iii) There is no company which has become or ceased to be the Company's subsidiary, joint venture or associate company during the year;
- (iv) There were no significant or material order was passed by the regulators or courts or tribunals which impact the going concern status and its future operations;
- (v) There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

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.

Place: Kolkata

Date: 13th August, 2018

Registered Office:
25, Ganesh Chandra Avenue
Kolkata - 700 013

By Order of the Board
Shalimar Wires Industries Limited

Sunil Khaitan
Chairman & Managing Director
DIN-00385961

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Paper Machine Clothings (PMC)

India embraces 15th rank among paper manufacturing nations in the world. The present demand is estimated at 13.1 ml tons which is projected to boost to 23.5 ml tons by 2024-25. India is the greatest growing market for paper in the world with a growth rate of about 6% yearly. Though India's per-capita paper utilization is quite low compared to global peers, things are looking up and requirement is set to rise for present 13 MT to an estimated 20 MT by 2020 indicating great potentiality for growth at home. Besides, the real growth in Paper making activity is taking place in Asian region due to availability of Raw Material & Cheaper Workforce 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 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. New products DYNA "XT" and "SAFE CUT" have been specially 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 of neighboring developing country 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 that depends lot on availability of softer fund for your Company. Your Company is also expected to create new business horizon in Metal Weaving segment creating new domestic & export market.

EDM WIRES

Threat from imported material in Indian market is seriously felt although the speciality 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 stages from procurement to disposal.
- Upgrading the Old machinery.
- Develop new design of fabric.
- Implementation of ISO : 9001 : 2015, QMS
14001 : 2015, EMS
18001 : 2007, OHSAS

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.
- Very high interest cost.
- Non availability of fund for expansion & Working Capital, delaying the Implementation of project on time.

INTERNAL CONTROL SYSTEM

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

HUMAN RESOURCES

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

- A Performance Management System.
- Training Programmes in the area of behavioural, management and technical skill up-gradation.
- Development of leadership capability
- Maintaining high level of employment relationship

The total Number of Employees employed in the Company as on 31st March, 2018 was 535.

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 and ERP is implemented in most of the departments. 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 in its Uttarpara Factory.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Health, safety, security and environment (HSSE) is a key priority for your Company. Simply stated, our goals are: no accidents, no harm to people and no damage to environment. The health, safety and security of everyone who works for your Company, is critical to the success of business.

CAUTIONARY STATEMENT

Statement in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, 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.
- The Company 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.
- Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company has executed the fresh Listing Agreements with the Stock Exchanges. The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule-V and Clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS

During the year the Company has 4 (four) Directors. Out of the four Directors, one is Promoter and Executive Director (Chairman and Managing Director), one is Nominee Director and two are Non-Executive Independent Directors. Ms. Surabhi Sanganerla is Non-Executive Independent Woman Director. The composition of the Board is in conformity with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the financial year ended 31st March, 2018, 6 (six) Board Meetings were held on 16.05.2017, 14.08.2017, 08.11.2017, 20.01.2018, 09.02.2018 and 13.03.2018.

The composition of Directors and their attendance at the Board Meetings held during the year and at the last Annual General Meeting, the number of Directorships in other public limited companies and chairmanships / memberships in committees held by them as on 31st March, 2018 are given below :

Name of Director	Category	No. of Board Meetings Attended during the year	Whether last AGM attended	No. of other Directorship *2	No. of other Committee membership/ Chairmanship *3
Mr.Sunil Khaitan, (DIN-00385961) Chairman & Managing Director	Promoter and Executive Director	6	Yes	NIL	NIL
Mr. Manash Chakraborty (DIN-05293875)	Nominee of ARCIL	5	No	NIL	NIL
Mr.Dipak Dasgupta (DIN-01099414)	Non-executive Independent Director	6	No	NIL	NIL
Ms. Surabhi Sanganerla *1 (DIN No. 06987772)	Non-executive Independent Director	6	No	2	2

*1 Ms. Surabhi Sanganerla was appointed as an Additional (Independent) Director w.e.f 16.05.2017

*2 Excludes Directorship held in Private Limited Companies/ Section 8 Companies/ Foreign Companies as on 31st March, 2018

*3 Only covers Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee of other Public Limited Companies.

None of the Directors of the Company's Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all companies in which they are director.

Disclosure of relationship between Directors inter-se:

None of the Directors of the Company is related inter-se to any other Directors on the Board, within the meaning of Section 2(77) of the Companies Act, 2013.

Number of shares and convertible instruments held by Non-Executive Directors :

As on 31st March, 2018, none of the Non-Executive Directors are holding any shares or convertible instruments in the Company.

Directors' Profile

A brief resume of Directors proposed to be appointed and nature of their expertise in specific functional areas and number of companies in which they hold Directorships, Memberships/ Chairmanships of Board Committees, and shareholding in the Company are provided in the notice.

Independent Director (IDs)

All the Independent Directors of the Company furnish declaration annually as laid down under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015. All requisite declarations were placed before the Board.

Meeting of Independent Directors (IDs)

The meetings of the Independent Directors were held on 14th August, 2017 and 9th February 2018.

Familiarisation Programme for Independent Directors

In terms of Regulation 25(7) of the SEBI Listing Regulations, 2015, the Company is required to conduct Familiarization Programme for Independent Directors (IDs) to familiarise them about their role, rights, responsibility in the Company, nature of industry in which the Company operates, business model of the Company etc. through various programme and any other relevant information. The details of such familiarization programme has also been uploaded on the Company's website www.shalimarwires.com. under the web link http://www.shalimarwires.com/others/5b643fbd1d773_FAMILIARISATION%20PROGRAMME%20-%2017-18.pdf.

Other provisions

The company has proper systems to enable the Board to periodically review compliance reports prepared by the Company in respect of laws applicable to the Company, as well as steps taken by the Company to rectify any instances of non-compliance.

Code of Conduct for Directors & Senior Management

The Board had framed a code of conduct for all the Board members and Senior Management Personnel of the Company focusing transparency, accountability & ethical expression in all acts and deeds. The Code of Conduct has been displayed on the website www.shalimarwires.com. under the web link

http://www.shalimarwires.com/uploaded/518769dc32d02_CodeOfConductForBoardOfDirectors.pdf and

http://www.shalimarwires.com/uploaded/518773de4d121_CodeOfConductForSeniorManagement.pdf of the Company.

A certificate of affirmation in this regard is attached and forms a part of the Annual Report of the Company.

3. COMMITTEES OF THE BOARD

The Board has currently the following Committees :

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

A. Audit Committee

The roles, terms of reference & composition of the Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 and Schedule II Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee acts as a link between the Statutory & Internal Auditors and the Board of Directors. All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

Brief description of Terms of Reference

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company ;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;

- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition of Audit Committee

The present composition of the Audit Committee comprises of three members, out of which two are Independent Directors and one is Nominee Director. During the financial year ended 31st March, 2018, the Audit Committee met four times on 16.05.2017, 14.08.2017, 08.11.2017 and 09.02.2018.

The composition of Audit Committee and meetings attended by the Members are as follows :

Sl. No.	Name	Designation	Category	No. of meetings attended
1.	Mr. Dipak Dasgupta	Chairman	Independent Director	4
2.	Mr. Manash Chakraborty	Member	Nominee Director	4
3.	Ms. Surabhi Sanganeria	Member	Independent Director	4

The Statutory Auditors and Internal Auditors are invited to attend the meetings as and when necessary. The Cost Auditor as appointed by the Company under section 148 of the Companies Act, 2013 attend the Audit Committee Meetings, as and when necessary.

The Company Secretary acts as the Secretary of the Committee.

The Chairman of the Audit Committee Mr. Dipak Dasgupta could not attend the last Annual General Meeting held on 22nd September, 2017 due to his ill health.

B) Nomination and Remuneration Committee

In accordance with the provisions Section 178 of the Companies Act, 2013 read with Regulation 19 and Para A of Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of nomination and remuneration committee includes the following :

- Identify persons who are qualified to become directors;
- Identify persons who may be appointed as key managerial personnel and in senior management positions;
- Recommended to the Board for re-appointment of directors based on performance evaluation of the retiring director;
- Annual evaluation of every director's performance;
- Formulating a remuneration policy of the Company;
- To propose remuneration packages for the Directors and Key Managerial Personnel including senior management;
- Recommending re-constitution of the Board or senior management as may be required from time to time under the prevailing laws and for operational effectiveness of the Company.

Composition of the Committee

The Nomination and Remuneration Committee comprises of three directors, consisting of two independent directors and one nominee director. The Composition of Nomination and Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the financial year ended 31st March, 2018, a meeting of the Nomination and Remuneration Committee was held on 16th May, 2017. The composition of the Committee is as under :

Sl. No.	Name	Designation	Category	No. of meeting attended
1.	Mr. Dipak Dasgupta	Chairman	Independent Director	1
2.	Mr. Manash Chakraborty	Member	Nominee Director	1
3.	Ms. Surabhi Sanganeria	Member	Independent Director	1

Remuneration Policy

• Remuneration to Executive and Non-Executive Directors

Mr. Sunil Khaitan is only whole time Director who is the Chairman & Managing Director of the company and is paid remuneration in terms of the agreement executed between him and the company. Mr. Sunil Khaitan was appointed as Chairman and Managing Director for a period of 3(three) years w.e.f. 1st April, 2017 subject to approval of Central Govt. as the Company had defaulted in repayment of its debts to financial institutions, approval of which is still awaited. The remuneration paid to Mr. Sunil Khaitan is within the limit as prescribed under Part-II of Section-IIA of Schedule-V of the Companies Act, 2013. The Non-Executive Directors are paid sitting fees for attending the Board/Committee meetings besides reimbursement of actual traveling and out of pocket expenses. Presently, the Company does not have any scheme for grant of stock options either to the directors or employees of the company.

• Remuneration of key managerial personnel (KMP) and senior managerial personnel (SMP)

Remuneration to KMP and SMP is fixed at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving company goals. The remuneration includes salary, allowances, medical insurance premium, perquisites and other benefits as per the policy of the company.

c) Remuneration to Directors

- 1) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2017-2018.
- 2) The details of remuneration paid/payable to the Directors during the year ended on 31.03.2018 are given below:

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Sitting fee (Rs.)	Total (Rs.)	Service Contract if any
Mr. Sunil Khaitan. (Chairman & Managing Director)	22,20,000	19,74,465 #	-	41,94,465	Yes
Mr. Manash Chakraborty (Nominee Director)	-	-	85,000	85,000	Nominee
Mr. Dipak Dasgupta	-	-	1,03,000	1,03,000	No
Ms. Surabhi Sanganeria	-	-	1,03,000	1,03,000	
Total	22,20,000	19,74,465	2,91,000	44,85,465	

Perquisites excludes contribution to Provident Fund amounting to Rs.2,66,400/-.

- i) The above details of remuneration or fees paid are all elements of remuneration package of individual Directors summarized under major groups.
- ii) Apart from the above mentioned details of remuneration or fees paid there are no other fixed component and performance linked incentives based on the performance criteria.
- iii) There are no stock options offered to any Directors of the Company.

Performance Evaluation :

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) SEBI Listing Regulation, 2015, the Board of Directors of the Company has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. The performance evaluation of the Chairman and the Managing Director and the Non- Independent Director was carried out by the Independent Directors.

C) Stakeholders Relationship Committee

a) Composition of the Committee

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Stakeholders Relationship Committee comprises of three directors, consisting of two independent directors and one nominee director. During the financial year ended 31st March, 2018, four meetings of the said Committee were held on 16.05.2017, 14.08.2017, 08.11.2017 and 09.02.2018 and the necessary quorum was present for all the meetings.

The details of meetings attended by the directors are as follows:

Sl. No.	Name	Designation	Category	No. of meeting attended
1.	Mr. Dipak Dasgupta	Chairman	Independent Director	4
2.	Mr. Manash Chakraborty	Member	Nominee Director	4
3.	Ms. Surabhi Sanganeria	Member	Independent Director	4

b) Terms of Reference

The terms of reference of Stakeholders Relationship Committee are as follows :

- Ensure redressal of Shareholders and Investors complaints relating to transfer of shares, Non-receipt of balance sheet etc.
- Redressal of Investors complaints in respect of non-receipt of interest/redemption proceeds against the non-convertible debenture.
- To oversee the performance of Maheshwari Datamatics Pvt. Ltd., the Registrar and Share Transfer Agent.
- 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.
- To implement and monitor the various requirement as set out in the Code of Conduct for provision of insider trading pursuant to the provisions of the SEBI (Prohibition of Insider Trading Regulations, 1992.)

As per SEBI guidelines, the powers of processing of the share transfers, both physical and demat mode have been delegated to M/s. Maheshwari Datamatics Pvt. Ltd. in order to expedite the process of share transfers, issue of duplicate certificates and certificates after split/consolidation/renewal and rematerialisation.

c) Compliance Officer:

Mr. S.K. Kejriwal, Company Secretary has been appointed as the compliance officer for complying with the requirement of SEBI Regulations, 2015.

d) Status of Investors' complaints:

The Company confirms that there were no share transfers lying pending as on 31.03.2018 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, 2017 to March, 2018 :-

- Number of Shareholders' complaints received during the year : Nil
- Number of Shareholders' complaints resolved during the year : Nil
- Number of complaints not resolved to the satisfaction of shareholders : Nil
- Number of complaints pending : Nil

OTHER COMMITTEES

A) Corporate Social Responsibility Committee

Corporate Social Responsibility (CSR) Committee of the Board was constituted on 19th May, 2014 in order to formulate and recommend the Board a CSR Policy indicating the activities to be undertaken by the Company and to discharge such other responsibilities as required under section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company formulated CSR Policy, which is uploaded on the Company's Web site: <http://www.shalimarwires.com> under the weblink http://www.shalimarwires.com/uploaded/54dee7e71cd14_CSR%20Policy.pdf.

Composition

Sl. No	Name	Designation	Category
1	Mr. Sunil Khaitan	Chairman	Chairman and Managing Director
2	Mr. Manash Chakraborty	Member	Nominee Director
3	Mr. Dipak Dasgupta	Member	Independent Director
4	Ms. Surabhi Sanganeria	Member	Independent Director

Terms of Reference of the Committee, *inter alia*, includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under.
2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the implementation of the CSR Policy of the Company from time to time.

B) Risk Management Committee

The Company has laid down procedure to inform board members about the risk assessment and minimization procedures. The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company.

Composition of the Committee

Sl. No	Name	Designation	Category
1.	Mr. Sunil Khaitan	Chairman	Chairman and Managing Director
2.	Mr. Dipak Dasgupta	Member	Independent Director
3.	Mr. S.J. Sengupta	Member	President & CFO
4.	Mr. S.K. Kejriwal	Member	Company Secretary

Role and Responsibilities of the Committee includes the following :

- Framing of Risk Management Plan and Policy
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk Minimization
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed
- Performing such other functions as may be necessary or appropriate for the performance of its oversight function.

4. GENERAL BODY MEETINGS

The last three Annual General Meeting were held as under :

Financial Year	Date and Time	Venue	No. of Special Resolution
2016-2017	22nd September, 2017 10.00 A.M.	Bhartiya Bhasha Parishad	• Reappointment of Managing Director u/s 196, 197, 203 of the Companies Act, 2013.
2015-2016	28th September, 2016 10.00 A.M.	Science City Mini Auditorium Kolkata	None
2014-2015	30th September, 2015 10.00 A.M.	Science City Mini Auditorium Kolkata	None

During the year 2017-2018, no special resolution was passed by the Members of the Company through postal ballot.

No business is presently proposed to be transacted through postal ballot. In case any Special Resolution needs to be passed through Postal Ballot during the financial year 2018-2019, the procedure for conducting the postal ballot as laid down under Section 110 of the Companies Act, 2013 and the Rules made there under shall be complied with.

5. DISCLOSURES**i) Related party transactions :**

Related Party transactions have been disclosed under Note No. 41 to the accounts for year under review and there is no conflict with the interest of the Company.

As required under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the Company's website www.shalimarwires.com under the weblink [http://www.shalimarwires.com/uploaded/54dee8640b2a6_POLICY %20ON%20RELATED%20PARTY%20TRANSACTIONS.pdf](http://www.shalimarwires.com/uploaded/54dee8640b2a6_POLICY%20ON%20RELATED%20PARTY%20TRANSACTIONS.pdf)

ii) Accounting Treatment :

In the preparation of the financial statement, the Company has followed the applicable Indian Accounting Standards (IND AS) issued by the Institute of Chartered Accountants of India to the extent applicable. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

iii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock Exchanges, SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years:

The Company has complied with all the mandatory requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 wherever applicable. No penalties or stricture have been imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters related to Capital Markets.

iv) Vigil Mechanism/ Whistle Blower Policy:

Pursuant to Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company has framed a Vigil Mechanism /Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases and the same has also been placed in the website of the Company. We affirm that during the financial year 2017-2018, none of the employees has been denied access to the Audit Committee.

v) Details of compliance of mandatory and non- mandatory requirements:

The Company has complied with all the applicable mandatory requirements. Adoption of non- mandatory requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is being reviewed by the Board from time to time.

vi) Material' Subsidiaries:

The Company does not have any subsidiary as defined under the Companies Act, 2013.

vii) Compliance of the requirement of Corporate Governance Report:

During the financial year 2017-2018, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI Listing Regulations.

viii) Disclosure with respect to demat suspense account/unclaimed suspense account:

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2018. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters are not applicable.

6. PREVENTION OF INSIDER TRADING

The Company has adopted Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre- clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the Designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. The Policy is available on the Company's website at www.shalimarwires.com under the weblink http://www.shalimarwires.com/uploaded/5556cec31035a_Code_of_practice.pdf

7. POLICY AGAINST SEXUAL HARRASSMENT

The Company is committed to foster a gender friendly work place, it seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment at the work place and institute good employment practices. The Policy is available on the Company's website at www.shalimarwires.com under the weblink http://www.shalimarwires.com/uploaded/54dee8cf03d8d_Policy%20on%20Sexual%20Harassment.pdf

8. CEO & CFO CERTIFICATION

Mr. Sunil Khaitan, Chairman and Managing Director and Mr. S.J. Sengupta, President and CFO have provided annual certification on the financial statements to the Board as required under Part B of Section II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

9. COMPLIANCE CERTIFICATE BY PRACTICING CHARTERED ACCOUNTANTS :

The Company has obtained a certificate from the Practicing Chartered Accountants regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the Listing Regulations, which is annexed herewith and forms part of this Annual Report.

10. MEANS OF COMMUNICATION

- (i) 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 viz. and also sent immediately to all the Stock Exchanges with which the shares of the Company are listed. The annual reports are sent to every shareholder of the Company.
- (ii) The Company's financial results are displayed on the Company's website www.shalimarwires.com.
- (iii) The Company has a separate e-mail Id secretarial@shalimarwires.com for investors to intimate their grievances, if any.
- (iv) During the year 2017-2018, the company has not made any presentations to institutional investors and analysts.

11. GENERAL SHAREHOLDERS INFORMATION :

a) Annual General Meeting																																																																				
Date	29th September, 2018																																																																			
Time	10.00 A.M.																																																																			
Venue	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata – 700 017																																																																			
b) Financial Calender (tentative) for the year 2017 – 2018	1st Quarterly results On 13th August, 2018 2nd “ “ On or before 14th Nov, 2018 3rd “ “ On or before 14th Feb, 2019 4th “ “ On or before 15th May, 2019																																																																			
c) Dividend Payment date	The Company did not recommend any dividend during the year 2017-18																																																																			
d) Book Closure Date	24th September, 2018 to 29th September, 2018 (both days inclusive)																																																																			
e) Listing of Equity shares on Stock Exchanges	The Company's shares are listed on the Stock Exchanges at:- <ul style="list-style-type: none"> • Calcutta Stock Exchange (Stock Code 100294) 7, Lyons Range, Kolkata - 700 001 • Bombay Stock Exchange (Stock Code 532455) Floor 7, P J Towers, Dalal Street Mumbai- 400 001. <p>The listing fees for the period 2018-2019 have been paid to both the Stock Exchanges. Demat ISIN Number in NSDL and CDSL: INE655D01025 Stock Code: 532455</p>																																																																			
f) Market Price Data	The market price data (Monthly High/Low) of the company's Equity Shares traded on BSE during the period April 2017 to March 2018 is given below. There was no trading in Calcutta stock exchange. BOMBAY STOCK EXCHANGE LTD. <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th rowspan="2">High (Rs.)</th> <th rowspan="2">Low (Rs.)</th> <th colspan="2">BSE Sensex</th> </tr> <tr> <th>Low</th> <th>Low</th> </tr> </thead> <tbody> <tr> <td>April, 17</td> <td>5.67</td> <td>4.20</td> <td>30184.22</td> <td>29241.48</td> </tr> <tr> <td>May, 17</td> <td>8.14</td> <td>4.47</td> <td>31255.28</td> <td>29804.12</td> </tr> <tr> <td>June, 17</td> <td>8.44</td> <td>8.14</td> <td>31522.87</td> <td>30680.66</td> </tr> <tr> <td>July, 17</td> <td>11.33</td> <td>8.84</td> <td>32672.66</td> <td>31017.11</td> </tr> <tr> <td>Aug, 17</td> <td>11.33</td> <td>10.50</td> <td>32686.48</td> <td>31128.02</td> </tr> <tr> <td>Sept, 17</td> <td>11.33</td> <td>10.35</td> <td>32524.11</td> <td>31081.83</td> </tr> <tr> <td>Oct, 17</td> <td>20.94</td> <td>10.27</td> <td>33340.17</td> <td>31440.48</td> </tr> <tr> <td>Nov, 17</td> <td>21.15</td> <td>13.55</td> <td>33865.95</td> <td>32683.59</td> </tr> <tr> <td>Dec, 17</td> <td>23.65</td> <td>15.85</td> <td>34137.97</td> <td>32565.16</td> </tr> <tr> <td>Jan, 18</td> <td>24.90</td> <td>17.75</td> <td>36443.98</td> <td>33703.37</td> </tr> <tr> <td>Feb, 18</td> <td>23.80</td> <td>16.20</td> <td>36256.83</td> <td>33482.81</td> </tr> <tr> <td>Mar, 18</td> <td>21.05</td> <td>15.75</td> <td>34278.63</td> <td>32483.84</td> </tr> </tbody> </table>	Month	High (Rs.)	Low (Rs.)	BSE Sensex		Low	Low	April, 17	5.67	4.20	30184.22	29241.48	May, 17	8.14	4.47	31255.28	29804.12	June, 17	8.44	8.14	31522.87	30680.66	July, 17	11.33	8.84	32672.66	31017.11	Aug, 17	11.33	10.50	32686.48	31128.02	Sept, 17	11.33	10.35	32524.11	31081.83	Oct, 17	20.94	10.27	33340.17	31440.48	Nov, 17	21.15	13.55	33865.95	32683.59	Dec, 17	23.65	15.85	34137.97	32565.16	Jan, 18	24.90	17.75	36443.98	33703.37	Feb, 18	23.80	16.20	36256.83	33482.81	Mar, 18	21.05	15.75	34278.63	32483.84
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g) Registrar and Share Transfer Agent	Maheshwari Datamatics Pvt. Ltd. 23, R.N. Mukherjee Road, 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 generally registered within a period of 15 days from the date of receipt, if the documents are clear in all respect. Shares under objection are returned within two weeks. Stakeholders Relationship Committee considers & approves the transfer proposals.
i) Trading of Securities:	The securities of the Company were not suspended from trading any time during the financial year 2017-2018
j) Distribution of shareholding & shareholding Pattern.	As attached and forms a part of annual report
k) Dematerialisation of shares and liquidity	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., 23, R.N. Mukherjee Road, Kolkata – 700 001. As on 31st March, 2018, 86.76 % of the paid up share capital of the Company representing 37094772 Nos. of equity shares held in demat form with NSDL and CDSL.
l) Corporate Identity Number (CIN)	L74140WB1996PLC081521
m) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any Global Depository Receipts (GDRs), American Depository Receipts (ADRs), warrants or any convertible instruments, which is likely to have impact on the Company's equity during the financial year ended 31st March, 2018.
n) Commodity price risk or foreign exchange risk and hedging activities:	No such risks or activities to report during the financial year under review.
o) Factory location	The Company's factories are located at the following places :- 1. 77, Netaji Subhas Road, Uttarpara, Dist.Hooghly,W.B. 2. Paper Machine Wire Unit 73, Industrial Estate, Satpur, Nashik – 422 007
p) Address for correspondence	With the Company: Share Department 25, Ganesh Chandra Avenue, 2nd Floor, Kolkata – 700 013 Tel.Nos : (033) 2234-9308/09/10 Fax No. : (033) 2211-6880 E-mail : kejriwal@shalimarwires.com Website : http://www.shalimarwires.com With the Registrar: Maheshwari Datamatics Pvt.Ltd. 23 R.N. Mukherjee Road Kolkata – 700 001 Tel.Nos: (033) 2243-5029/5809, (033) 22482248 Fax : (033) 2248 4787 E-mail : mdpl@cal.vsnl.net.in

DECLARATION IN RESPECT OF COMPLIANCE WITH THE CODE OF CONDUCT

It is hereby declared that all Board Members, Key Managerial Personnel and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct of the Company, for the financial year ended 31st March, 2018.

Place : Kolkata
Dated : 13th August, 2018

Sunil Khaitan
Chairman & Managing Director

APPENDIX

PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2018

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Promoters/Directors & their relatives including associate companies	18	0.13	2,78,23,982	65.08
Financial Institutions/Insurance Companies/Mutual Funds & Bank	24	0.17	7,74,920	1.81
Non-resident Indians/Overseas corporate bodies.	32	0.22	19,253	0.05
Other bodies corporate	149	1.04	1,21,93,032	28.52
Indian Public	14,089	98.44	19,43,936	4.55
Total	14,312	100.00	4,27,55,123	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	13,790	96.38	8,36,802	1.95
501-1000	239	1.66	1,99,866	0.47
1001-5000	211	1.46	5,11,122	1.20
5001-10000	19	0.13	1,30,488	0.31
10001 and above	53	0.37	4,10,76,813	96.07
Total	14312	100.00	4,27,55,123	100.00

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SHALIMAR WIRES INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Shalimar Wires Industries Limited ('the Company') for the year ended 31st March 2018 as per the Regulations 17 to 27, Clause (b) to (i) of Regulations 46 (2) and paragraph C, D and E of Schedule- V of Securities and Exchange Board of India (the Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained and certified by the Company/ Registrars and Transfer Agent of the Company, there was no investor grievances remaining unattended/ pending for more than 30 days as at 31st March 2018.

In our opinion and to the best of our information and according to the explanations given to us, and the representations 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 Regulations.

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

For **Khandelwal Ray & Co.**
Chartered Accountants
Firm Regn No.302035E

(S. Khandelwal)

Partner

Membership No. 054451

Place : Kolkata

Date : 13th August, 2018

ANNEXURE - II

Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 :

A. Conservation of Energy

(i)	The steps taken or impact on Conservation of Energy	1. Due to installation of additional looms in HP side, we have added 2 panels of 200KVAR APFC panel to compensate from HP side transformer.
		2. Introduction of Energy monitoring with real time software system is in process.
		3. Replacement of old Transformer to eliminate core losses is in process. One 500 KVA Transformer has been replaced on HP side in 2017-18 and balance to be replaced in 2018-19.
		4. Conventional tube light have been replaced with LED to reduce energy consumption by around 50% of tube light.
		5. Replacement of 120,250,400 W vapour light with 50W,70W and 125W LED flood light has been done in 2017-18.
(ii)	The steps taken by the Company for utilizing alternate sources of energy	Nil
(iii)	The capital investment on energy conservation equipments	Rs. 21.33 lacs

B. Technology Absorption

(i)	The efforts made towards technology absorption	a) Synthetic
		i) Long Float & 16SH. SSB, 24 coarser SSB are some new designs developed and sent to market for better life of fabric as well as for better quality of paper.
		ii) Two new looms, one seaming machine and one Gapstar machine are going to be installed so far to increase the productivity.
		iii) Woven Dryer Screen is being developed for high speed paper machines.
		iv) 4 Nos. of new spiral machines installed in our Link Canvas Dept. to increase productivity. 4.5m table modified to use it for SLC.
		v) Jumbo SLC developed for more life.
		vi) Installation of new heater and A5 Table with more accurate control.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	vii) New Joining machine installed to increase capacity of SLC Plant.
		i) With the development of above designs, we have been able to increase product life of highly abrasive machines and increase the scope of supply to different kind of paper machines, which ultimately leads to increase in business.
		ii) After introducing 3 more looms in synthetic weaving, the productivity & quality of fabric produced will improve simultaneously.
		iii) We have started manufacturing different grades of woven dryer fabrics thereby we are catering into this segment of market, which has got growing demand considering the fact of technological up-gradation of paper making process. It has been added in our produce range to cater the segment thereby increasing the business and turn-over of the company.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	iv) After introducing four numbers of new spiral machines and four numbers of Joining machine we are able to increase our productivity with increased product range.

(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- a) the details of technology imported b) the year of import c) whether the technology been fully absorbed d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Nil
(iv)	the expenditure incurred on research and development	Rs. 8.25 lacs

C. Foreign exchange earnings and outgo :

- (i) Foreign exchange earned in terms of actual inflow : Rs 2084.16 lacs
- (ii) Foreign exchange outgo in terms of actual outflow : Rs 2753.41 lacs

MR & Associates

Company Secretaries
 46, B. B. Ganguly Street
 Kolkata-700012
 Mobile No: 9831074332
 Email : goenkamohan@hotmail.com

Form No. MR - 3**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
 The Members,
SHALIMAR WIRES INDUSTRIES LIMITED
 25, Ganesh Chandra Avenue,
 Kolkata- 700013

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHALIMAR WIRES INDUSTRIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - e. The Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time to the extent applicable.

I further report that, there were no actions/ events in pursuance of;

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- (e) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings

We further report that after considering the Compliance system prevailing in the Company and on the basis of the relevant records and documents as maintained and having relied upon the representation made by the Management, the following laws are specifically applicable to the Company;

- (a) Factories Act, 1948
(b) Payment of Wages Act, 1936

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, to the extent amended and notified from time to time.
(ii) The Listing Agreements entered into by the Company with BSE Limited and Calcutta Stock Exchange.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above,

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company had;

- obtained approval of shareholders by way of Special resolution at the Annual General Meeting of the Company held on 22.09.2017 for reappointment of Mr. Sunil Khaitan as the Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2017
- made an application to the Central Government for approval of re-appointment and remuneration payable to Managing Director of the Company.
- made allotment of 51,50,000 shares by way of conversion of the outstanding interest of Rs.165.87 Crs. to Asset Reconstruction Company (India) Ltd in terms Share Subscription and Shareholders Agreement dated 27th March, 2018 and in accordance with rehabilitation scheme sanctioned by BIFR vide Order dated 10th June 2010

This Report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this Report.

For **MR & Associates**
Company Secretaries

[M R Goenka]
Partner

Place : Kolkata
Date : 13th August, 2018

FCS No.:4515
C P No.:2551

“ANNEXURE – A”

(TO THE SECRETARIAL AUDIT REPORT OF SHALIMAR WIRES INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018)

To,
The Members
SHALIMAR WIRES INDUSTRIES LIMITED
25, Ganesh Chandra Avenue,
P S Bowbazar,
Kolkata - 700013

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and processes as where appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibilities of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MR & Associates**
Company Secretaries

[M R Goenka]
Partner
FCS No.:4515
C P No.:2551

Place : Kolkata
Date : 13th August, 2018

ANNEXURE - IV

FORM NO. MGT-9

Extract of annual return as on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	L74140WB1996PLC081521
ii)	Registration Date	13th September, 1996
iii)	Name of the Company	SHALIMAR WIRES INDUSTRIES LIMITED
iv)	Category/Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	25, Ganesh Chandra Avenue, 2nd Floor, Kolkata-700013, Phone : 033-2234-9308/09/10 Fax : 033-2211-6880 Email : kejriwal@shalimarwires.com Website : www.shalimarwires.com
vi)	Whether listed company or not	YES
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 23, R.N. Mukherjee Road (5th Floor) Kolkata-700 001 Phone : 033-22482248, 2243-5029 Fax : 033-22484787 E-mail : mdpl@cal.vsnl.net.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sl. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Synthetic Forming Fabric	3548	65%
2.	Metal Fourdrinier Wire Cloth	3313	23%
3.	EDM Wire	3333	12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
NOT APPLICABLE					

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

Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2017]				No of Shares held at the end of the year [As on 31/Mar/2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	12696169	0	12696169	33.7618	12696169	0	12696169	29.6951	-4.0667
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	15127813	0	15127813	40.2281	15127813	0	15127813	35.3825	-4.8456
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	27823982	0	27823982	73.9899	27823982	0	27823982	65.0776	-8.9123

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2017]				No of Shares held at the end of the year [As on 31/Mar/2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	27823982	0	27823982	73.9899	27823982	0	27823982	65.0776	-8.9123
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	679	679	0.0018	0	679	679	0.0016	-0.0002
b) Banks/FI	425	12765	13190	0.0351	400	12765	13165	0.0308	-0.0043
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	761076	0	761076	2.0239	761076	0	761076	1.7801	-0.2438
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Alternate Investment Funds									
Foreign Portfolio Investors									
Provident Funds / Pension Funds									
Qualified Foreign Investor									
Sub-total(B)(1):-	761501	13444	774945	2.0608	761476	13444	774920	1.8125	-0.2483
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	7027329	14997	7042326	18.7270	6990362	5164978	12155340	28.4301	9.7031
ii) Overseas	0	27	27	0.0001	0	27	27	0.0001	0.0000
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1247194	491785	1738979	4.6243	1402240	481693	1883933	4.4063	-0.2180
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	179648	0	179648	0.4777	60003	0	60003	0.1403	-0.3374
c) Others (Specify)									
Non Resident Indians	12087	209	12296	0.0327	19017	209	19226	0.0450	0.0123
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	32845	0	32845	0.0873	35164	0	35164	0.0822	-0.0051
Trusts	50	0	50	0.0001	50	0	50	0.0001	0.0000
Foreign Bodies-D R									
Foreign Portfolio Investors									
NBFCs registered with RBI	25	0	25	0.0001	2478	0	2478	0.0058	0.0057
Employee Trusts									

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2017]				No of Shares held at the end of the year [As on 31/Mar/2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Domestic Corporate Unclaimed Shares Account									
Investor Education and Protection Fund Authority									
Sub-total(B)(2):-	8499178	507018	9006196	23.9493	8509314	5646907	14156221	33.1099	9.1606
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9260679	520462	9781141	26.0101	9270790	5660351	14931141	34.9224	8.9123
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	37084661	520462	37605123	100.0000	37094772	5660351	42755123	100.0000	0.0000

ii) Shareholding of Promoters-

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2017]			Shareholding at the end of the year [As on 31/Mar/2018]			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	SUNITA KHAITAN	10118900	26.9083	100.0000	10118900	23.6671	100.0000	-3.2412
2	RELIANCE SHEET WORKS PVT LTD	7251481	19.2832	100.0000	7251481	16.9605	100.0000	-2.3227
3	AMIT COMMERCIAL CO LTD	7230132	19.2265	100.0000	7230132	16.9106	100.0000	-2.3159
4	VEDANT KHAITAN	1000408	2.6603	100.0000	1000408	2.3399	100.0000	-0.3204
5	UMAESH KUMAR KHAITAN	306074	0.8139	100.0000	306074	0.7159	100.0000	-0.0980
6	SUMANGLA INVESMENT COMPANY LTD	280992	0.7472	100.0000	280992	0.6572	100.0000	-0.0900
7	SUNIL KUMAR KHAITAN	274662	0.7304	100.0000	274662	0.6424	100.0000	-0.0880
8	SUDHIR KUMAR KHAITAN	274461	0.7299	100.0000	274461	0.6419	100.0000	-0.0880
9	ANIL KUMAR KHAITAN	233450	0.6208	100.0000	233450	0.5460	100.0000	-0.0748
10	ESQUIRE ENGINEERING LTD	161547	0.4296	100.0000	161547	0.3778	100.0000	-0.0518
11	SARITA KHAITAN	159915	0.4252	100.0000	159915	0.3740	100.0000	-0.0512
12	RASHMI KHAITAN	118640	0.3155	100.0000	118640	0.2775	100.0000	-0.0380
13	SHALIMAR HOLDINGS LTD	112343	0.2987	100.0000	112343	0.2628	100.0000	-0.0359
14	SITA DEVI KHAITAN	88512	0.2354	100.0000	88512	0.2070	100.0000	-0.0284
15	SAM TUL INVESTMENTS LTD	87328	0.2322	100.0000	87328	0.2043	100.0000	-0.0279
16	SASHI PRABHA KHAITAN	67193	0.1787	100.0000	67193	0.1572	100.0000	-0.0215
17	KAVITA KHAITAN	53954	0.1435	100.0000	53954	0.1262	100.0000	-0.0173
18	AGRO CHEMICALS AND FERTILIZERS LTD	3990	0.0106	100.0000	3990	0.0093	100.0000	-0.0013
	TOTAL	27823982	73.9899	100.0000	27823982	65.0775	100.0000	-8.9124

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ESQUIRE ENGINEERING LTD				
		4/1/2017	161547	0.4296	
		3/31/2018	161547	0.3778	161547
2	RELIANCE SHEET WORKS PVT LTD				
		4/1/2017	7251481	19.2832	
		3/31/2018	7251481	16.9605	7251481

Sl. No.	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	SAM TUL INVESTMENTS LTD				
	4/1/2017	87328	0.2322		
	3/31/2018	87328	0.2043	87328	0.2043
4	SHALIMAR HOLDINGS LTD				
	4/1/2017	112343	0.2987		
	3/31/2018	112343	0.2628	112343	0.2628
5	AMIT COMMERCIAL CO LTD				
	4/1/2017	7230132	19.2265		
	3/31/2018	7230132	16.9106	7230132	16.9106
6	AGRO CHEMICALS AND FERTILIZERS LTD				
	4/1/2017	3990	0.0106		
	3/31/2018	3990	0.0093	3990	0.0093
7	SUMANGLA INVESMENT COMPANY LTD				
	4/1/2017	280992	0.7472		
	3/31/2018	280992	0.6572	280992	0.6572
8	SUNIL KUMAR KHAITAN				
	4/1/2017	274662	0.7304		
	3/31/2018	274662	0.6424	274662	0.6424
9	ANIL KUMAR KHAITAN				
	4/1/2017	233450	0.6208		
	3/31/2018	233450	0.5460	233450	0.5460
10	RASHMI KHAITAN				
	4/1/2017	118640	0.3155		
	3/31/2018	118640	0.2775	118640	0.2775
11	SUDHIR KUMAR KHAITAN				
	4/1/2017	274461	0.7299		
	3/31/2018	274461	0.6419	274461	0.6419
12	UMAESH KUMAR KHAITAN				
	4/1/2017	306074	0.8139		
	3/31/2018	306074	0.7159	306074	0.7159
13	SARITA KHAITAN				
	4/1/2017	159915	0.4252		
	3/31/2018	159915	0.3740	159915	0.3740
14	SUNITA KHAITAN				
	4/1/2017	10118900	26.9083		
	3/31/2018	10118900	23.6671	10118900	23.6671
15	SITA DEVI KHAITAN				
	4/1/2017	88512	0.2354		
	3/31/2018	88512	0.2070	88512	0.2070
16	KAVITA KHAITAN				
	4/1/2017	53954	0.1435		
	3/31/2018	53954	0.1262	53954	0.1262
17	VEDANT KHAITAN				
	4/1/2017	1000408	2.6603		
	3/31/2018	1000408	2.3399	1000408	2.3399
18	SASHI PRABHA KHAITAN				
	4/1/2017	67193	0.1787		
	3/31/2018	67193	0.1572	67193	0.1572

iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NETWORTH HOLDINGS PVT LTD				
	01-04-2017	11535	0.0307		
	31-03-2018	11535	0.0270	11535	0.0270
2	BANK OF INDIA				
	01-04-2017	11383	0.0303		
	31-03-2018	11383	0.0266	11383	0.0266
3	ADROIT TRADELINK PRIVATE LIMITED				
	01-04-2017	158549	0.4216		
	31-03-2018	158549	0.3708	158549	0.3708
4	LIFE INSURANCE CORPORATION OF INDIA				
	01-04-2017	671950	1.7869		
	31-03-2018	671950	1.5716	671950	1.5716
5	RAJPUTANA INVESTMENT SOCIETY PRIVATE LIMITED				
	01-04-2017	172324	0.4582		
	31-03-2018	172324	0.4030	172324	0.4030
6	THE ORIENTAL INSURANCE COMPANY LIMITED				
	01-04-2017	89026	0.2367		
	31-03-2018	89026	0.2082	89026	0.2082
7	FOUNTAIN VANIJYA PRIVATE LIMITED				
	01-04-2017	100000	0.2659		
	31-03-2018	100000	0.2339	100000	0.2339
8	MAGADH TRADERS LTD				
	01-04-2017	104245	0.2772		
	31-03-2018	104245	0.2438	104245	0.2438
9	NIHARIKA INDIA LTD *				
	01-04-2017	74643	0.1985		
	31-03-2018	74643	0.1746	74643	0.1746
10	BMA WEALTH CREATORS LTD.				
	01-04-2017	27493	0.0731		
	12/05/2017 - Transfer	-200	0.0005	27293	0.0726
	28/07/2017 - Transfer	-100	0.0003	27193	0.0723
	04/08/2017 - Transfer	50	0.0001	27243	0.0724
	18/08/2017 - Transfer	550	0.0015	27793	0.0739
	01/09/2017 - Transfer	-700	0.0019	27093	0.0720
	22/09/2017 - Transfer	5281	0.0140	32374	0.0861
	13/10/2017 - Transfer	2551	0.0068	34925	0.0929
	20/10/2017 - Transfer	-4751	0.0126	30174	0.0802
	27/10/2017 - Transfer	-2000	0.0053	28174	0.0749
	05/01/2018 - Transfer	-8426	0.0224	19748	0.0525
	16/02/2018 - Transfer	1000	0.0027	20748	0.0552
	23/02/2018 - Transfer	-1000	0.0027	19748	0.0525
	02/03/2018 - Transfer	414	0.0011	20162	0.0536

Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
11	09/03/2018 - Transfer	696	0.0019	20858	0.0555	
	16/03/2018 - Transfer	-1110	0.0030	19748	0.0525	
	31-03-2018	19748	0.0462	19748	0.0462	
	MANGLAM INDIA LIMITED					
12	01-04-2017	165702	0.4406			
	31-03-2018	165702	0.3876	165702	0.3876	
	DHM TRADING PVT LTD					
13	01-04-2017	102964	0.2738			
	31-03-2018	102964	0.2408	102964	0.2408	
	ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED					
14	01-04-2017	5950000	15.8223			
	31/03/2018 - Transfer	5150000	12.0453	11100000	25.9618	
	ARUN KUMAR DALMIA					
15	01-04-2017	39198	0.1042			
	02/06/2017 - Transfer	28	0.0001	39226	0.1043	
	08/12/2017 - Transfer	-1000	0.0027	38226	0.1017	
	15/12/2017 - Transfer	-1000	0.0027	37226	0.0990	
	29/12/2017 - Transfer	-3607	0.0096	33619	0.0894	
	31-03-2018	33619	0.0786	33619	0.0786	
		HARI SHANKER ALMAL				
	01-04-2017	0	0.0000			
	26/05/2017 - Transfer	7719	0.0205	7719	0.0205	
	02/06/2017 - Transfer	782	0.0021	8501	0.0226	
	25/08/2017 - Transfer	709	0.0019	9210	0.0245	
	20/10/2017 - Transfer	650	0.0017	9860	0.0262	
	27/10/2017 - Transfer	2500	0.0066	12360	0.0329	
	03/11/2017 - Transfer	-1391	0.1210	10969	0.9542	
	10/11/2017 - Transfer	4210	0.0112	15179	0.0404	
17/11/2017 - Transfer	1002	0.0027	16181	0.0430		
05/01/2018 - Transfer	-2971	0.0079	13210	0.0351		
12/01/2018 - Transfer	-4000	0.0106	9210	0.0245		
31-03-2018	9210	0.0215	9210	0.0215		
	MANOJ AGARWAL #					
16	01-04-2017	114645	0.3049			
	18/08/2017 - Transfer	-6000	0.0160	108645	0.2889	
	25/08/2017 - Transfer	-14000	0.0372	94645	0.2517	
	13/10/2017 - Transfer	-7000	0.0186	87645	0.2331	
	20/10/2017 - Transfer	-15845	0.0421	71800	0.1909	
	27/10/2017 - Transfer	-21800	0.0580	50000	0.1330	
	03/11/2017 - Transfer	-2400	0.2088	47600	4.1407	
	08/12/2017 - Transfer	-25000	0.0665	22600	0.0601	
	15/12/2017 - Transfer	-19714	0.0524	2886	0.0077	
	22/12/2017 - Transfer	-500	0.0013	2386	0.0063	
	31-03-2018	2386	0.0056	2386	0.0056	

Sl No	Name	Shareholding at the beginning [01/Apr/17]/end of the year [31/Mar/18]		Cumulative Shareholding during the year [01/Apr/17 to 31/Mar/18]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
17	MAYANK ALMAL				
	01-04-2017	0	0.0000		
	02/06/2017 - Transfer	6250	0.0166	6250	0.0166
	11/08/2017 - Transfer	990	0.0026	7240	0.0193
	25/08/2017 - Transfer	2424	0.0064	9664	0.0257
	01/09/2017 - Transfer	336	0.0009	10000	0.0266
	08/09/2017 - Transfer	500	0.0013	10500	0.0279
	22/09/2017 - Transfer	1000	0.0027	11500	0.0306
	27/10/2017 - Transfer	3000	0.0080	14500	0.0386
	10/11/2017 - Transfer	1000	0.0027	15500	0.0412
	05/01/2018 - Transfer	-5500	0.0146	10000	0.0266
	12/01/2018 - Transfer	-10000	0.0266	0	0.0000
	31-03-2018	0	0.0000	0	0.0000
18	JAYESHKUMAR PANCHABHAI SATANI				
	01-04-2017	36956	0.0983		
	31-03-2018	36956	0.0864	36956	0.0864
19	PRIYANK ALMAL				
	01-04-2017	0	0.0000		
	02/06/2017 - Transfer	2050	0.0055	2050	0.0055
	09/06/2017 - Transfer	270	0.0007	2320	0.0062
	11/08/2017 - Transfer	829	0.0022	3149	0.0084
	18/08/2017 - Transfer	387	0.0010	3536	0.0094
	25/08/2017 - Transfer	3264	0.0087	6800	0.0181
	22/09/2017 - Transfer	200	0.0005	7000	0.0186
	03/11/2017 - Transfer	11800	1.0265	18800	1.6354
	08/12/2017 - Transfer	-5800	0.0154	13000	0.0346
	05/01/2018 - Transfer	-3500	0.0093	9500	0.0253
	12/01/2018 - Transfer	-2750	0.0073	6750	0.0179
	31-03-2018	6750	0.0158	6750	0.0158

* Not in the list of Top 10 shareholders as on 01/04/2017 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning [01/Apr/16]/end of the year [31/Mar/17]		Cumulative Shareholding during the year [01/Apr/16 to 31/Mar/17]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SUNIL KUMAR KHAITAN				
	01-04-2017	274662	0.7304		
	31-03-2018	274662	0.6424	274662	0.6424

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment :

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total (Rs. in lacs)
Indebtedness at the beginning of the financial year (1st April,2016)				
i) Principal Amount	6433	1851	-	8284
ii) Interest due but not paid	17668	-	-	17668
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	24101	1851	-	25952
Change in indebtedness during the financial year				
Addition (PRIN+INT)	1814	2498	-	4312
Reduction (PRIN)	22629	319	-	22948
Net change	-20815	2179	-	-18636
Indebtedness at the end of the financial year (31st March,2017)				
i) Principal Amount	3105	4030	-	7135
ii) Interest due but not paid	181	-	-	181
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3286	4030	-	7316

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER :

Sl. no.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount (Rs.in lacs)
		Mr. Sunil Khaitan	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.20	22.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19.74	19.74
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL
5.	Others, please specify		
	Total (A)	41.94	41.94
	Ceiling as per the Act	42.00	42.00

*Excluding Provident Fund contribution of Rs. 2.66 lacs

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount (Rs.in Lacs)
		Mr. Dipak Dasgupta	Ms. Surabhi Sanganeria	
1.	Independent Directors			
	• Fee for attending board/ committee meetings	1.03	1.03	2.06
	• Commission	NIL	NIL	-
	• Others, please specify	NIL	NIL	-
	Total (1)	1.03	1.03	2.06
2.	Other Non-Executive Directors	Mr. Manash Chakraborty (Nominee of ARCIL)		
	Fee for attending board committee meet	0.85		0.85
	Commission	-		-
	Others, please specify	-		-
	Total (2)			0.85
	Total (B)=(1+2)			2.91
	Total Managerial Remuneration			44.85
	Overall Ceiling as per the Act	All the independent and non-executive Directors have been paid sitting fees for attending Board meetings and Committee meetings which is well within the limits prescribed under the Companies Act, 2013.		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		President & CFO	Company Secretary	Total (Rs.in lacs)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.25	8.96	22.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	35.42	11.42	46.84
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total	48.67	20.38	69.05

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding Fees imposed	Authority [RD/ NCLT/ COURT]	Appeal Made, if any(give details)
A. COMPANY					
Penalty	NIL	---	NONE	---	
Punishment	NIL	---	NONE	---	
Compounding	NIL	---	NONE	---	
B. DIRECTORS					
Penalty	NIL	---	NONE	---	
Punishment	NIL	---	NONE	---	
Compounding	NIL	---	NONE	---	
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	---	NONE	---	
Punishment	NIL	---	NONE	---	
Compounding	NIL	---	NONE	---	

ANNEXURE - V

STATEMENT OF DISCLOSURE OF REMUNERATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i)	The ratio of the remuneration of Chairman & Managing Director to the median remuneration of the employees of the Company for the financial year :	
	Directors	Ratio
	Mr. Sunil Khaitan, Chairman & Managing Director	1:60
(ii)	The percentage increase in remuneration of Chairman & Managing Director, Chief Financial Officer and Company Secretary in the financial year :	% increase/(decrease)
	Mr. Sunil Khaitan, Chairman & Managing Director	NIL
	Mr. S.J. Sengupta, CFO	115.35%
	Mr. S.K. Kejriwal, Company Secretary	30.38%
(iii)	The percentage increase in the median remuneration of employees in the financial year :	14.30%
(iv)	The number of permanent employees on the rolls of company : (as on 31st March, 2018)	535
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :	
	Average percentile increase is 14.30% in respect of all the employees except managerial personnel. The remuneration of CFO was increased because he was promoted as President & CFO during the year giving him overall responsibility of Uttarpara Unit.	
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	
	The Company affirms that the remuneration paid to employees is in accordance with the Remuneration Policy of the Company.	

INDEPENDENT AUDITORS' REPORT

To the Members of
Shalimar Wires Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **SHALIMAR WIRES INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

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

Basis for Qualified Opinion

- (a) No provision has been made for Claims Receivable remaining outstanding for long, amounting to Rs. 26.98 lacs (Refer Note No. 8)
- (b) The Accounting Standard on Contingent Liabilities have not been fully complied with as disclosed in Footnote No. 2 to 4 of Note No. 35, the quantum of non-provision in respect whereof is not ascertained pending settlement / disposal of disputes.
- (c) Non-provision of Items indicated in (a) and (b) above constitute a departure from the Indian Accounting Standards referred to in Section 133 of the Act. Without considering Item Nos. (c) above, whose impact on the Company's Statement of Profit and Loss is presently non-ascertainable, had the provisions indicated in Item Nos. (a) been made,
 - (i) The Profit for the year would have decreased by Rs. 26.98 lacs
 - (ii) Other Non-Current Assets would have decreased by Rs. 26.98 lacs
 - (iii) The Retained Earnings would have been lower by Rs. 26.98 lacs.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid Standalone Financial Statements give the information by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Emphasis of Matters

We draw your attention to the following matter in the Notes to the Standalone Financial Statements:

1. Note No. 35 to the financial statements, which describe the uncertainty related to the outcome of the lawsuits indicated therein.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Sub-section (11) of Section 143 of the Act, we enclose in the **Annexure – A**, a statement on the matters specified in the said Order, to the extent applicable to the Company.
- ii) As required by Section 143(3) of the Act, based on our audit we report that
 - a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
 - e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) On the basis of written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure – B. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting in the matters of Sales.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with amended Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position, wherever ascertainable – Refer Note No. 35
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable loss.
 - iii. The Order dated 10th June, 2010, of the erstwhile Board for Industrial and Financial Reconstruction, has exempted the Company from transferring any amount to the Investor Education and Protection Fund.

For **KHANDELWAL RAY & CO.,**
Chartered Accountants
FR No. 302035E

(S. KHANDELWAL)
Partner
(Membership No. 054451)

Place : Kolkata
Date : 23.05.2018

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of Shalimar Wires Industries Limited for the year ended 31st March, 2018.

We report that :

(i) (a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	(b) The fixed assets 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) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, which remain deposited with the ICICI Bank, are held in the name of the Company, subject to charges created in favour of the lenders of the Company.
(ii) Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	(ii) The Inventories have been physically verified by the management at reasonable intervals during the year and discrepancies noticed on such physical verification, which were not material, have been properly dealt with in the books of account.
(iii) Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	(iii) During the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	(a) Not applicable
(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	(b) Not applicable
(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	(c) Not applicable
(iv) In respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	(iv) The Company has not given any loan within the meaning of Section 185 of the Act. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 186 of the Act, with regard to investments made.
(v) In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, where applicable, have been complied with? if not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	(v) The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act.
(vi) Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	(vi) The Central Government has specified maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for Metal Wire Cloth manufactured by the Company. We have broadly reviewed such accounts and records and we are of the opinion that the accounts and records have been made and maintained by the Company. However, we have not made any detailed examination of such records in order to ascertain whether those are complete and accurate.

<p>(vii) (a) Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;</p>	<p>(vii) (a) According to the records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty and other statutory dues with appropriate authorities, except the following amounts which are outstanding as on 31st March 2018 for a period of more than six months from the date of becoming payable:</p>																
	<table border="1"> <thead> <tr> <th>Name of Act</th> <th>Nature of Dues</th> <th>Years</th> <th>Amount (Rs) in Lacs)</th> </tr> </thead> <tbody> <tr> <td>CST ACT 1958</td> <td>Sales Tax</td> <td>2003-04</td> <td>0.72</td> </tr> <tr> <td>Bombay Stamp Act 1958.</td> <td>Stamp Duty and interest thereon</td> <td>2001-10</td> <td>210.32</td> </tr> </tbody> </table>	Name of Act	Nature of Dues	Years	Amount (Rs) in Lacs)	CST ACT 1958	Sales Tax	2003-04	0.72	Bombay Stamp Act 1958.	Stamp Duty and interest thereon	2001-10	210.32				
Name of Act	Nature of Dues	Years	Amount (Rs) in Lacs)														
CST ACT 1958	Sales Tax	2003-04	0.72														
Bombay Stamp Act 1958.	Stamp Duty and interest thereon	2001-10	210.32														
	<p>As explained to us, the Company does not have any dues in respect of Wealth Tax, Service Tax and Cess.</p>																
<p>(b) Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute)</p>	<p>(b) The disputed statutory dues aggregating to Rs 1207.16 Lacs (inclusive of amounts not provided in financial statement) that have not been deposited on account of matters pending before appropriate authorities are as under:</p> <table border="1"> <thead> <tr> <th>Nature of dues</th> <th>Amount (Rs in Lacs)</th> <th>Year which it relates</th> <th>Forum</th> </tr> </thead> <tbody> <tr> <td>Vat & Penalty</td> <td>0.34</td> <td>1980-81</td> <td>The Additional Commissioner of Commercial Taxes, Kolkata</td> </tr> <tr> <td>Vat ,</td> <td>0.54</td> <td>1993-94,</td> <td>The Additional Commissioner of Commercial Taxes, Kolkata</td> </tr> <tr> <td>Tax , Penalty & Interest</td> <td>1.22</td> <td>1988-89</td> <td>The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata</td> </tr> </tbody> </table>	Nature of dues	Amount (Rs in Lacs)	Year which it relates	Forum	Vat & Penalty	0.34	1980-81	The Additional Commissioner of Commercial Taxes, Kolkata	Vat ,	0.54	1993-94,	The Additional Commissioner of Commercial Taxes, Kolkata	Tax , Penalty & Interest	1.22	1988-89	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata
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Vat & Penalty	0.34	1980-81	The Additional Commissioner of Commercial Taxes, Kolkata														
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Tax , Penalty & Interest	1.22	1988-89	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata														

	Nature of dues	Amount (Rs in Lacs)	Year which it relates	Forum
	Tax & Penalty	31.92	2000-01 to 2006-07	The West Bengal Taxation Tribunal
	Tax & Penalty	0.44	2011-12 2012-13	The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata
	CST, Interest & Penalty	133.45	1995-96 to 2012-13	The Sr.Joint Commissioner of Commercial Taxes
	Central Excise Tax & Penalty	70.66	1992, 1994, 1996, 2003, 2004	Commissioner (Appeals) Central Excise, Kolkata-IV
	Central Excise Tax & Penalty	31.29	2006, 2009, 2010, 2011, 2012, 2013	Commissioner (Appeals) Central Excise, Kolkata-IV
	Central Excise Tax & Penalty	108.55	2014 to 2016	Commissioner (Appeals) Central Excise, Kolkata-IV
	Central Excise Tax & Penalty	11.23	1989-90 2005-06	Hon'ble High Court, Mumbai
	Central Excise Tax & Penalty	4.34	2003-04	Commissioner (Appeals) Nashik
	Central Excise Tax & Penalty	1.73	2002-03	Commissioner (Appeals) Nashik
	Central Excise Tax & Penalty	82.04	2002-03	Commissioner of Central Excise & Custom (Appeals) Nashik
	Penalty of Custom Duty	475.61	2002-03	Commissioner of Export (III) (JNPT) Nashik
	Penalty of Custom Duty	15.60	2002-03	Commissioner of Custom (EP) (Appeals) Mumbai
	Sales Tax	0.62	1999-2002	The Asst. Commissioner, Sales Tax, Delhi
	Sales Tax & Penalty	5.50	1999-00 2002-03	The Asst. Commissioner, Sales Tax, Ahmedabad
	Sales Tax & Penalty	213.50	2004	The Asst. Commissioner, Sales Tax, Nasik.
	Tax, Nasik Municipal Corpn.	11.69	1989-90 & 1991-92	Hon'ble High Court, Mumbai.
	Tax & Penalty Nasik Municipal Corpn.	6.88	2007-08 2008-09	Hon'ble High Court, Mumbai

(viii) Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).

(viii) **The Company has made following default in repayment of dues to Financial Institution and Debenture Holders:**

Financial Institution	Amount (Rs in lacs)	Period of default
Term Loan		
SICOM	47.58	Mar '10 to Mar '14
Sale Tax Loan (Under Sales Tax Deferral Scheme)	269.06	Mar '10 to Mar '14

Also Refer to Footnotes No (v) of Note No 17 to Financial Statements.

(ix) Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	(ix) The Company did not raise any money by way of initial public offer of further public offer (including debt instruments) during the year. According to the information and explanations given to us, the Term Loan raised during the year had been applied for the purposes for which the same was raised.
(x) Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	(x) 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.
(xi) Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V of the Act.
(xii) Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
(xiii) Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
(xiv) Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
(xv) Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
(xvi) Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **KHANDELWAL RAY & CO.,**
Chartered Accountants
FR No. 302035E

(S. KHANDELWAL)
Partner

(Membership No. 054451)

Place : Kolkata
Date : 23.05.2018

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shalimar Wires Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at 31 March, 2018:

- a) The Company's internal control system for customer acceptance, credit evaluation and establishing customer credit limits for sales need to be strengthened adequately so as to negate the potential possibility of recognising revenue without establishing reasonable certainty of ultimate collection.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement on the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 Financial Statements of the Company, and the material weakness does not affect our opinion on the Financial Statements of the Company.

For **KHANDELWAL RAY & CO.,**
Chartered Accountants
FR No. 302035E

(S. KHANDELWAL)
Partner

(Membership No. 054451)

Place : Kolkata
Date : 23.05.2018

BALANCE SHEET AS AT 31 MARCH, 2018

Rs. in Lacs

SL NO	PARTICULARS	NOTE NO	BALANCE AS AT 31.03.2018		BALANCE AS AT 31.03.2017		BALANCE AS AT 01.04.2016	
A.	ASSETS							
1	Non-current assets							
	(a) Property, Plant and Equipment	3	4,530.11		4,825.30		4,876.30	
	(b) Capital Work-in-Progress	4	696.61		620.75		1,016.62	
	(c) Investment Property							
	(d) Goodwill							
	(e) Other Intangible Assets	5	53.10		23.66		57.10	
	(f) Intangible Assets under development							
	(g) Biological Assets other than bearer plants							
	(h) Financial Assets							
	(i) Investments	6	1.53		1.67		2.05	
	(ii) Trade Receivables							
	(iii) Loans	7	-		406.18		406.18	
	(iv) Others Financial Assets		-	1.53	-	407.85	-	408.23
	(i) Deferred Tax Assets (net)							
	(j) Other Non-Current Assets	8	1,199.32		670.67		693.76	
	Total Non-Current Assets			6,480.67		6,548.24		7,052.01
2	Current assets							
	(a) Inventories	9	2,496.00		2,713.60		3,018.23	
	(b) Financial Assets							
	(i) Investments		-		-		-	
	(ii) Trade receivables	10	3,282.14		4,026.87		3,910.67	
	(iii) Cash and cash equivalents	11	2,973.49		2,559.43		125.55	
	(iv) Bank Balances other than (iii) above	12	303.76		275.91		298.38	
	(v) Loans	13	-		160.95		160.95	
	(vi) Others Financial Assets		-	6,559.39	-	7,023.16	-	4,495.55
	(c) Current Tax Assets (Net)							
	(d) Other Current Assets	14	317.86		334.27		312.42	
	Total Current Assets			9,373.25		10,071.03		7,826.20
	Total Assets			15,853.92		16,619.27		14,878.21
B.	EQUITY AND LIABILITIES							
I	Equity							
	(a) Equity Share capital	15	855.10		3,686.45		3,686.45	
	(b) Other Equity	16	4,278.30		(16,111.01)		(18,288.27)	
	Total Equity			5,133.41		(12,424.56)		(14,601.82)
II	LIABILITIES							
1	Non-current liabilities							
	(a) Financial Liabilities							
	(i) Borrowings	17	6,834.91		5,217.27		5,634.28	
	(ii) Trade payables							
	(iii) Other Financial Liabilities	18	43.43		43.43		67.74	
	(b) Provisions	19	6,878.35		5,260.70		5,702.02	
	(c) Deferred tax liabilities (Net)		637.28		589.29		627.77	
	(d) Other non-current liabilities	20	-		-		-	
			216.64		223.52		306.20	
	Total Non-current liabilities			7,732.26		6,073.51		6,635.99
2	Current liabilities							
	(a) Financial Liabilities							
	(i) Borrowings	21	116.04		136.90		125.29	
	(ii) Trade Payables	22	1,545.07		1,180.82		1,061.59	
	(iii) Other Financial Liabilities	23	670.42		20,948.11		20,909.88	
	(b) Other current liabilities		2,331.53		22,265.83		22,096.75	
	(c) Provisions	24	558.94		561.80		658.13	
	(d) Current Tax Liabilities (Net)	25	97.78		142.68		89.16	
	Total Current liabilities			2,988.25		22,970.32		22,844.04
	Total Liabilities			10,720.52		29,043.83		29,480.03
	Total Equity and Liabilities			15,853.92		16,619.27		14,878.21

Basis of preparation, measurement and significant accounting policies 1
 First time adoption of Ind AS 2
 Other Disclosures 35-46

The accompanying notes 1 to 46 are an integral part of the financial statements.

As per our report of even date.
 For **KHANDELWAL RAY & CO**
 Chartered Accountants
 FR NO. 302035E

Sunil Khaitan
 Managing Director

Dipak Dasgupta
 Director

CA. S. Khandelwal
 Partner
 Membership No.054451
 Kolkata
 Date : 23.05.2018

S. J. Sengupta
 President & CFO

S. K. Kejriwal
 Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

SL NO	PARTICULARS	NOTE NO	FOR THE YEAR ENDED 31ST MARCH, 2018		FOR THE YEAR ENDED 31ST MARCH, 2017	
I.	Revenue from Operations	26		10,806.67		11,082.93
II.	Other Income	27		331.49		445.83
III.	Total Revenue (I + II)			11,138.15		11,528.76
IV.	Expenses:					
	Cost of Materials Consumed	28	3,195.84		2,886.16	
	Purchases of Stock in Trade		-		-	
	Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	29	331.66		140.69	
	Excise Duty		271.00		1,020.17	
	Employees Benefits	30	2,590.75		2,266.65	
	Finance Cost	31	797.06		774.92	
	Depreciation and Amortization	36	536.27		632.54	
			-	536.27	-	632.54
	Other Expenses	32	4,526.66		3,621.38	
	Total Expenses			12,249.24		11,342.50
V.	Profit/(Loss) before exceptional item and tax (III - IV)			(1,111.09)		186.26
VI.	Exceptional Items -Income/(expenditure)	33		21,457.66	-	1,990.31
VII.	Profit/(Loss) before tax (V - VI)			20,346.57		2,176.57
VIII.	Tax Expenses:					
	i) Current Tax			-	-	-
	ii) Deferred Tax			-	-	-
IX.	Profit (Loss) for the period from continuing operations (VII - VIII)			20,346.57		2,176.57
XIII.	Profit (Loss) for the period (IX + XII)			20,346.57		2,176.57
XIV.	Other Comprehensive Income	34				
	A. i) Items that will not be reclassified to profit or loss		42.75		0.69	
	ii) Income Tax relating to items that will not be reclassified to profit or loss		-	42.75	-	0.69
	B. i) Items that will be reclassified to profit or loss		-		-	
	ii) Income Tax relating to items that will be reclassified to profit or loss		-	42.75	-	0.69
XV.	Total Comprehensive Income for the period (XIII +XIV)			20,389.31		2,177.26
XVI.	Earnings Per Equity Share:	45				
	i) Basic			47.59		5.79
	ii) Diluted			47.59		5.79

Basis of preparation, measurement and significant accounting policies

1

First time adoption of Ind AS

2

Other Disclosures

35-46

The accompanying notes 1 to 46 are an intregral part of the financial statements.

As per our report of even date.
For **KHANDELWAL RAY & CO**
Chartered Accountants
FR NO. 302035E

CA. S. Khandelwal
Partner
Membership No.054451
Kolkata
Date : 23.05.2018

Sunil Khaitan
Managing Director

Dipak Dasgupta
Director

S. J. Sengupta
President & CFO

S. K. Kejriwal
Company Secretary

STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2018

Rs. in Lacs

A. EQUITY SHARE CAPITAL

Sl. No.	Particulars	Note No	Balance
I	Balance as at 1st April, 2016		3,686.45
	Change in Equity Share Capital during the year		
II	Balance as at 31st March, 2017		3,686.45
	Change in Equity Share Capital during the year		103.00
	Change in Preference Share Capital during the year		(2,934.35)
III	Balance at the 31st March, 2018	14	855.10

B. OTHER EQUITY

Sl. No.	Particulars	Reserve and Surplus		Items of Other Comprehensive Income (OCI)		Total
		General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurements of net defined benefit plans	
I	Balance as at 1st April, 2016	287.63	(18,575.91)	-	-	(18,288.27)
	Profit/ (Loss) for the year	-	2,176.57	-	-	2,176.57
	Other Comprehensive Income for the year	-	-	(0.38)	1.07	0.69
	Total Comprehensive Income for the year	-	2,176.57	(0.38)	1.07	2,177.26
II	Balance as at 31st March, 2017	287.63	(16,399.34)	(0.38)	1.07	(16,111.01)
	Profit/ (Loss) for the year	-	20,346.57	-	-	20,346.57
	Other Comprehensive Income for the year	-	-	(0.15)	42.90	42.75
	Total Comprehensive Income for the year	-	20,346.57	(0.15)	42.90	20,389.31
III	Balance as at 31st March, 2018	287.63	3,947.23	(0.53)	43.97	4,278.30

The accompanying notes 1 to 46 are an integral part of the financial statements.

As per our report of even date.
For **KHANDELWAL RAY & CO**
Chartered Accountants
FR NO. 302035E

CA. S. Khandelwal
Partner
Membership No.054451
Kolkata
Date : 23.05.2018

Sunil Khaitan
Managing Director

Dipak Dasgupta
Director

S. J. Sengupta
President & CFO

S. K. Kejriwal
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

PARTICULARS	FOR THE YEAR ENDED 31.03.2018	FOR THE YEAR ENDED 31.03.2017
A. Cash Flow from Operating Activities :		
Net Profit (Loss) before Tax	20,346.57	2,178.33
Adjustments For :		
Depreciation and amortisation expense	536.27	632.54
(Profit) / Loss on Sale / Discard of Tangible Fixed Assets	9.12	-
Exceptional Items	21,457.66	(1,990.31)
Interest Income	(195.61)	(261.87)
Fair value gain/(loss) on Investments	(0.15)	(0.38)
Finance Cost	797.06	767.95
Sundry Balances Written Off	606.33	30.80
Unspent Liabilities Written Back	-	(42.16)
Provision for Diminution in value of Investment	-	-
Debts and advances written off	156.80	91.54
Operating Profit before Working Capital Changes	43,984.26	1,406.45
Adjustments For :		
Increase/(Decrease) in Other Non Current Financial Liabilities	(0.00)	(24.31)
Increase/(Decrease) in Other Non Current Liabilities	(6.89)	(40.52)
Increase/(Decrease) in Non Current Provisions	90.89	(39.18)
Increase/(Decrease) in Current Provisions	(44.90)	53.52
Increase/(Decrease) in Trade Payables	364.25	119.23
Increase/(Decrease) in Other Current Financial Liabilities	(20,277.69)	38.24
Increase/(Decrease) in Other Current Liabilities	(2.86)	(96.32)
Decrease/(Increase) in Non-Current Investment	0.15	0.38
Decrease/(Increase) in Non Current Assets	406.18	-
Decrease/(Increase) in Other Non-Current Assets	(1,095.82)	25.19
Decrease/(Increase) in Inventories	217.60	304.64
Decrease/(Increase) in Trade Receivables	317.73	(207.74)
Decrease/(Increase) in Current Assets	160.95	-
Decrease/(Increase) in Other Current Financial Assets	-	-
Decrease/(Increase) in Other Current Assets	16.42	(21.86)
Cash Generated from / (used in) Operating Activities	24,130.25	1,517.71
Tax Expense	(39.17)	(32.90)
Net Cash Flow from/(used in) Operating Activities (A)	24,091.09	1,484.80
B. Cash Flow from Investing Activities :		
Interest Income	195.61	261.87
Addition to Tangible Fixed Assets	(321.04)	(371.49)
Addition to Intangible Fixed Assets	(38.46)	(21.40)
Sale of Tangible Fixed Assets	4.00	240.66
Net Cash flow from/(used in) Investing activities (B)	(159.89)	109.64

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

PARTICULARS		FOR THE YEAR ENDED 31.03.2018	FOR THE YEAR ENDED 31.03.2017
C.	Cash Flow from Financing Activities :		
	Proceeds from Equity Shares	(2,831.35)	-
	Repayment from Long term Borrowings	1,617.65	(417.02)
	Proceeds from Short term Borrowings	(20.86)	11.61
	Exceptional Items	(21,457.66)	1,990.31
	Interest Expense	(797.06)	(767.95)
	Net Cash Flow from Financing Activities (C)	(23,489.28)	816.96
	Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	441.91	2,411.40
	Closing Balance of Cash & cash Equivalents	3,277.25	2,835.34
	Opening Balance of Cash & cash Equivalents	2,835.34	423.93
	Net Increase / (Decrease) in Cash & Cash Equivalents	441.91	2,411.40

Notes :

- The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Indian Accounting Standard (Ind AS) -7 on Statement of Cash Flows.
- 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 represent cash outflow from respective activities.
- Cash & Cash Equivalents do not include any amount which is not available to the Company for its use.
- As breakup of Cash & Cash Equivalents is also available in Note No.19, 29 and 30, reconciliation of items of Cash & Cash Equivalents as per Cash Flow Statement with the equivalent items reported in the Balance Sheet is not required and hence not provided.

The accompanying notes 1 to 46 are an integral part of the financial statements.

As per our report of even date.
For **KHANDELWAL RAY & CO**
Chartered Accountants
FR NO. 302035E

CA. S. Khandelwal
Partner
Membership No.054451
Kolkata
Date : 23.05.2018

Sunil Khaitan
Managing Director

Dipak Dasgupta
Director

S. J. Sengupta
President & CFO

S. K. Kejriwal
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION AND MEASUREMENT

(a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended 31st March, 2018 are the first the Company has prepared under Ind AS. For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements.

The financial statements of the Company for the year ended 31st March, 2018 were approved for issue in accordance with the resolution of the Board of Directors on 23rd May, 2018.

(b) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.2 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations – Note-44
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Note-35.and
- (c) Recognition of deferred tax assets – Note-37

1.3 SIGNIFICANT ACCOUNTING POLICIES:

a) Recognition of Income & Expenditure:

Income and Expenditure are recognised on accrual basis.

b) Property, Plant and Equipment:

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

- Assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

Freehold land is not depreciated.

Leasehold land: Cost of Leasehold Land and installation and other expenses incurred on Machineries taken on lease are amortized over the period of the respective lease.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

b) Intangible Assets:

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Patent - 20 years

Know-how - 5 years

Computer software - 5 years

The amortization period and the amortization method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Indefinite life intangibles mainly consist of patents. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues, if not, it is impaired or changed prospectively basis revised estimates

c) Inventories:

Inventories are stated at 'cost or net realisable value, whichever is lower'. Cost comprises 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'.

d) Financial Instruments:

Financial Assets:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortized cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

Cash and Cash Equivalents:

Cash and cash equivalents are short-term (twelve months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Investments:

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

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments:

Debt instruments are initially measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

a) Measured at amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortized cost using the effective interest rate ('EIR') method less impairment, if any. The amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

b) Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to other income' in the Statement of Profit and Loss.

c) Measured at fair value through profit or loss:

A financial asset not classified as either amortized cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value; the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derecognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of Financial Asset:

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category. For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall. The impairment losses and reversals are recognised in Statement of Profit and Loss.

Financial Liabilities:

Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortized cost, using the effective interest method.

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through profit or loss and are measured at fair value with all changes in fair value recognised in the Statement of Profit and L

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

e) Provisions, Contingent Liabilities and Contingent Assets:

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

f) Revenue Recognition:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc.

Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognised on accrual basis. Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

g) Employee Benefits:

Defined benefit plans

Defined benefit plans, the amount recognised as 'Employee benefit expenses' in the Statement of Profit and Loss is the cost of accruing employee benefits promised to employees over the year and the costs of individual events such as past/future service benefit changes and settlements (such events are recognised immediately in the Statement of Profit and Loss). The amount of net interest expense calculated by applying the liability discount rate to the net defined benefit liability or asset is charged or credited to 'Finance costs' in the Statement of Profit and Loss. Any differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised immediately in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

The defined benefit plan surplus or deficit on the Balance Sheet comprises the total for each plan of the fair value of plan assets less the present value of the defined benefit liabilities (using a discount rate by reference to market yields on government bonds at the end of the reporting period).

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

h) Foreign Currency Transactions:

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

i) Research & Development Expenditure:

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

j) Borrowing Costs:

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

k) Income Taxes:

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 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 depreciation under tax laws, are recognised only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognised only to the extent there is a reasonable certainty that the assets can be realized in future.

l) Impairment of Non Financial Assets:

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

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amount of assets to the extent that it does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

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

m) Operating Cycle:

All Financial Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies' Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of financial assets and liabilities.

n) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

o) Segment Reporting:

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

2. FIRST TIME ADOPTION OF IND AS:

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

A. Mandatory Exceptions from retrospective application:

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

(i) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

(ii) Classification and measurement of financial assets

The classification of financial assets to be measured at amortized cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

B. Transition to Ind AS - Reconciliations:

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Equity as at 1st April, 2016

II. A. Reconciliation of Equity as at 31st March, 2017

B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017.

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

I. Reconciliation of Equity as at 1st April, 2016

Sl. No.	Particulars	Note No	Previous IGAAP	Ind AS adjustments	Ind AS
A.	ASSETS				
1.	Non-current assets				
	(a) Property, Plant and Equipment		4,876.30		4,876.30
	(b) Capital work-in-progress		1,016.62		1,016.62
	(c) Investment Property				
	(d) Goodwill				
	(e) Other Intangible assets		57.10		57.10
	(f) Intangible assets under development				
	(g) Biological Assets other than bearer plants				
	(h) Financial Assets				
	(i) Investments		2.05		2.05
	(ii) Trade receivables				
	(iii) Loans		406.18		406.18
	(iv) Others Financial Assets		-		-
	(i) Deferred tax assets (net)				
	(j) Other non-current assets		693.76		693.76
2	Current assets				
	(a) Inventories		3,018.23		3,018.23
	(b) Financial Assets				
	(i) Investments				
	(ii) Trade receivables		3,910.67		3,910.67
	(iii) Cash and cash equivalents		125.55		125.55
	(iv) Bank balances other than (iii) above		298.38		298.38
	(v) Loans		160.95		160.95
	(vi) Others Financial Assets				
	(c) Current Tax Assets (Net)				
	(d) Other current assets		312.42		312.42
	Total Assets		14,878.21	-	14,878.21
B.	EQUITY AND LIABILITIES				
I	Equity				
	(a) Equity Share capital		3,686.45		3,686.45
	(b) Other Equity		(18,288.27)		(18,288.27)
II	LIABILITIES				
1	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		5,634.28		5,634.28
	(ii) Trade payables				
	(iii) Other financial liabilities (other than those specified in item (b), to be specified)		67.74		67.74
	(b) Provisions		627.77		627.77
	(c) Deferred tax liabilities (Net)				
	(d) Other non-current liabilities		306.20		306.20
2	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		125.29		125.29
	(ii) Trade payables		1,061.59		1,061.59
	(iii) Other financial liabilities (other than those specified in item (c))		20,909.88		20,909.88
	(b) Other current liabilities		658.13		658.13
	(c) Provisions		89.16		89.16
	(d) Current Tax Liabilities (Net)				
	Total Equity and Liabilities		14,878.21	-	14,878.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

₹ in Lacs

II.A. Reconciliation of Equity as at 31st March, 2017

Sl. No	Particulars	Note No	Previous GAAP	Ind AS adjustments	Ind AS
A.	ASSETS				
1	Non-current assets				
	(a) Property, Plant and Equipment		4,825.30		4,825.30
	(b) Capital work-in-progress		620.75		620.75
	(c) Investment Property				
	(d) Goodwill				
	(e) Other Intangible assets		23.66		23.66
	(f) Intangible assets under development				
	(g) Biological Assets other than bearer plants				
	(h) Financial Assets				
	(i) Investments		1.67		1.67
	(ii) Trade receivables				
	(iii) Loans		406.18		406.18
	(iv) Others (to be specified)		-		-
	(i) Deferred tax assets (net)				
	(j) Other non-current assets		670.67		670.67
	Total Non-Current Assets				
2	Current assets				
	(a) Inventories		2,713.60		2,713.60
	(b) Financial Assets				
	(i) Investments		-		-
	(ii) Trade receivables		4,026.87		4,026.87
	(iii) Cash and cash equivalents		2,559.43		2,559.43
	(iv) Bank balances other than (iii) above		275.91		275.91
	(v) Loans		160.95		160.95
	(vi) Others (to be specified)		-		-
	(c) Current Tax Assets (Net)		-		-
	(d) Other current assets		334.27		334.27
	Total Assets		16,619.27	-	16,619.27
B.	EQUITY AND LIABILITIES				
I	Equity				
	(a) Equity Share capital		3,686.45		3,686.45
	(b) Other Equity		(16,111.01)		(16,111.01)
	Total Equity				
II	LIABILITIES				
1	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		5,217.27		5,217.27
	(ii) Trade payables				
	(iii) Other financial liabilities (other than those specified in item (b), to be specified)		43.43		43.43
	(b) Provisions		589.29		589.29
	(c) Deferred tax liabilities (Net)		-		-
	(d) Other non-current liabilities		223.52		223.52
2	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings		136.90		136.90
	(ii) Trade payables		1,180.82		1,180.82
	(iii) Other financial liabilities (other than those specified in item (c))		20,948.11		20,948.11
	(b) Other current liabilities		561.80		561.80
	(c) Provisions		142.68		142.68
	(d) Current Tax Liabilities (Net)				
	Total Equity and Liabilities		16,619.27	-	16,619.27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

II. B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

Sl. No	Particulars	Note No	Previous GAAP	Ind AS adjustments	Ind AS
I.	Revenue from Operations				
	a) Sale of products	(b), (c)	10,216.08	866.85	11,082.93
II.	Other Income		445.83		445.83
III.	Total Revenue (I + II)		10,661.91	866.85	11,528.76
IV.	Expenses:				
	Cost of Materials Consumed		2,886.16		2,886.16
	Purchases of Stock in Trade				
	Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade		140.69		140.69
	Excise Duty	(b)	-	1,020.17	1,020.17
	Employees Benefits	(d)	2,308.68	(42.03)	2,266.65
	Finance Cost	(d)	731.82	43.10	774.92
	Depreciation and Amortization		632.54		632.54
	Other Expenses	(a), (c)	3,775.08	(153.70)	3,621.38
	Total Expenses		10,474.95	867.54	11,342.50
V.	Profit before exceptional and tax.(III - IV)		186.95	(0.69)	186.26
VI.	Exceptional Items		(1,990.31)		(1,990.31)
VII.	Profit before tax (V - VI)		2,177.26	(0.69)	2,176.57
VIII.	Tax Expenses:				
	i) Current Tax		-		-
	ii) Deferred Tax		-		-
IX.	Profit (Loss) for the period from continuing operations (VII - VIII)		2,177.26	(0.69)	2,176.57
X.	Profit (Loss) from discontinuing operations.				
XI.	Tax Expenses of discontinuing operations.				
XII.	Profit (Loss) from discontinuing operations (after tax) (X + XI)				
XIII.	Profit (Loss) for the period (IX + XII) (A)		2,177.26	(0.69)	2,176.57
XIV.	Other Comprehensive Income				
	A. i) Items that will not be reclassified to profit or loss				
	Remeasurements of the net defined benefit plans.	(d)	-	1.07	1.07
	Fair value of Equity Instruments through other comprehensive income.	(a)	-	(0.38)	(0.38)
	ii) Income Tax relating to items that will not be reclassified to profit or loss				
	B. i) Items that will be reclassified to profit or loss				
	Fair value of debt instruments through other comprehensive income.		-	-	-
	ii) Income Tax relating to items that will be reclassified to profit or loss.				
	Other Comprehensive Income fo the year (A+B)		-	0.69	0.69
XV.	Total Comprehensive Income for the period (XIII +XIV)		2,177.26	0.00	2,177.26

III. Adjustments to Statement of Cash flows

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Notes to the Reconciliations

a) Non Current Investment

Equity Instruments - Under Previous GAAP, the such instruments were carried at cost and provision for diminution was made to recognised a decline, other than temporary, in the value of long term investment. Under Ind AS, the Company has designated these investments at fair value through other comprehensive income (FVTOCI) which are recognised in the Statement of Profit and Loss for the year ended 31st March, 2017. At the date of transition to Ind AS, no difference between the fair value of the instruments and the carrying value under Previous GAAP.

Sl. No	Particulars	Debit / (Credit) Balance Sheet		Debit / (Credit) Statement of Profit and Loss
		As at 1st April, 2016	As at 31st March, 2017	
1	(Profit)/Loss:			
	(Gain)/Loss on Equity instruments through Other Comprehensive Income			0.38
	Other Expense			(0.38)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

(b) Excise Duty

Under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in sale of goods and is separately presented as expense on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses

Sl. No	Particulars	Debit / (Credit) Balance Sheet		Debit / (Credit) Statement of Profit and Loss Year ended 31st March, 2017
		As at 1st April, 2016	As at 31st March, 2017	
1	(Profit)/Loss:			
	Revenue from operations			(1,020.17)
	Excise duty			1,020.17

(c) Revenue from Sale of Goods

Under Previous GAAP, revenue was recognised net of, trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates in any form and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Discounts given include Warrantee Compensation given to customers, which have been reclassified from 'Customer Warrantee Compensation' within other expenses under Previous GAAP and netted from revenue under Ind AS.

Sl. No	Particulars	Debit / (Credit) Balance Sheet		Debit / (Credit) Statement of Profit and Loss Year ended 31st March, 2017
		As at 1st April, 2016	As at 31st March, 2017	
1	(Profit)/Loss:			
	Revenue from operations			153.32
	Others Expenses			(153.32)

(d) Defined Benefit Plans

i) Actuarial gain/(loss) - Under Previous GAAP, the actuarial gain/(loss) of defined benefit plans had been recognised in Statement of Profit and Loss as an employees benefit expense. Under Ind AS, the remeasurement gain/(loss) on net defined benefit plans is recognised in Other Comprehensive Income net of tax.

ii) Net interest cost on defined benefit plans - Under Previous GAAP, the interest cost on defined benefit liability and expected return on plan assets was recognised as employee benefit expenses in the Statement of Profit and Loss. Under Ind AS, the Company has recognised the net interest cost on defined benefit plans as finance cost.

Sl. No	Particulars	Debit / (Credit) Balance Sheet		Debit / (Credit) Statement of Profit and Loss Year ended 31st March, 2017
		As at 1st April, 2016	As at 31st March, 2017	
1	(Profit)/Loss:			
	Employee benefits expenses			(42.03)
	Finance costs			43.10
	(Gain)/loss on net defined benefit plans through OCI			(1.07)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

A. NON-CURRENT ASSETS

3. Property, Plant & Equipments

Rs. in Lacs

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT			NET BLOCK	
	Balance as at 01.04.2017	Addition	Disposals	Balance as at 01.04.2017	For the Year	Disposals	Balance as at 01.04.2017	Reversed during the Year	Provided during the year	Balance as at 31.03.2018	Balance as at 01.04.2017
LAND											
Freehold	7.18	-	-	7.18	-	-	-	-	-	7.18	7.18
Leasehold	9.06	-	-	9.06	0.11	-	3.16	-	-	5.90	6.00
BUILDING	2,114.89	14.26	-	2,129.15	599.54	56.98	656.51	-	-	1,472.63	1,515.35
Leasehold	49.26	-	-	49.26	17.24	0.69	17.93	-	-	31.33	32.02
PLANT AND EQUIPMENTS	13,407.00	176.41	256.55	13,326.86	10,408.05	417.52	10,582.15	-	-	2,744.71	2,998.95
FURNITURE AND FIXTURES	447.91	14.22	-	462.14	335.00	15.61	350.61	-	-	111.52	112.92
VEHICLES	140.12	21.33	-	161.46	61.06	16.77	77.83	-	-	83.62	79.07
OFFICE EQUIPMENTS	94.02	4.42	-	98.44	60.60	13.29	73.89	-	-	24.56	33.42
OTHERS											
Computers	345.19	14.54	-	359.73	304.79	6.29	311.08	-	-	48.66	40.40
TOTAL	16,614.64	245.19	256.55	16,603.27	11,789.33	527.26	12,073.16	-	-	4,530.11	4,825.30
PREVIOUS YEAR	16,631.44	767.36	784.16	11,755.14	577.69	543.50	11,789.33	-	-	-	-

Note : 1. Building include Rs.2.34 lacs being cost of co-ownership flats. (Previous Year Rs. 2.34 lacs)

2. Fixed Assets include assets taken on hire purchase system after 01.04.2012

Vehicles Gross Block Rs.102.26 lacs (Previous Year Rs.96.78 lacs) and Net Block Rs. 64.05 lacs (Previous Year Rs. 67.89 lacs).

3. Details of Minimum Hire Purchase Payments and their Present Value.

Particulars	As at 31.03.2018		As at 31.03.2017	
	Min. HP Payment	Present Value	Min. HP Payment	Present Value
a) Not later than one year	15.53	11.69	19.39	12.61
b) Not later than one year and not later than five years	-	20.61	-	20.32
c) Later than five years	-	-	-	-

4. Capital Work in progress

	Balance as at 01.04.2017	Addition during the year	Deduction during the year	Balance as at 31.03.2018
Capital Work in progress Plant & Machinery	620.75	75.85	-	696.61
Total	620.75	75.85	-	696.61

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

5. Other Intangible Assets

Rs. in Lacs

DESCRIPTION OF ASSETS	GROSS BLOCK		AMORTISATION		IMPAIRMENT			NET BLOCK			
	Balance as at 01.04.2017	Addition	Disposals	Balance as at 31.03.2018	For the Year	Disposals	Balance as at 31.03.2018	Reversed during the Year	Provided during the year	Balance as at 31.03.2018	Balance as at 01.04.2017
COMPUTER SOFTWARE											
- Acquired	72.85	38.46	-	111.31	49.19	9.02	58.20	-	-	53.10	23.66
PATENTS											
- Acquired	20.30	-	-	20.30	20.30	-	20.30	-	-	(0.00)	(0.00)
TECHNICAL KNOWHOW											
- Acquired	215.21	-	-	215.21	215.21	-	215.21	-	-	-	-
TOTAL	308.36	38.46	-	346.82	284.70	9.02	293.71	-	-	53.10	23.66
PREVIOUS YEAR	281.43	21.40	-	308.36	229.86	54.84	284.70	-	-	23.66	-

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e 31st March 2017 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e 1st April 2017. The movement in carrying value of property, plant and equipment as per IGAAP is mentioned below which has no difference in value under Ind AS.

i) Property, Plant & Equipments (GAAP)

DESCRIPTION OF ASSETS	GROSS BLOCK		DEPRECIATION		IMPAIRMENT			NET BLOCK					
	Balance as at 01.04.2016	Addition	Disposals	Balance as at 31.03.2017	Upto 31.03.2016	For the Year	Disposals	Upto 31.03.2017	As at 01.04.2016	Reversed during the Year	Provided during the year	As at 31.03.2017	As at 31.03.2016
LAND													
Freehold	12.70	-	5.53	7.18	-	-	-	-	-	-	-	7.18	12.70
Leasehold	10.05	-	0.99	9.06	3.43	0.11	0.48	3.06	-	-	-	6.00	6.63
BUILDING	2,742.79	86.90	714.81	2,114.89	1,025.99	56.88	483.33	599.54	-	-	-	1,515.35	1,716.81
Leasehold	49.26	-	-	49.26	16.55	0.69	-	17.24	-	-	-	32.02	32.70
PLANT AND EQUIPMENTS	12,801.92	605.08	-	13,407.00	9,929.95	478.10	-	10,408.05	-	-	-	2,998.95	2,871.97
FURNITURE AND FIXTURES	476.37	6.33	34.78	447.91	352.27	15.78	33.04	335.00	-	-	-	112.92	124.10
VEHICLES	120.24	20.00	0.12	140.12	44.75	16.42	0.11	61.06	-	-	-	79.07	75.50
OFFICE EQUIPMENTS	92.28	29.31	27.57	94.02	85.17	1.62	26.20	60.60	-	-	-	33.42	7.11
OTHERS													
Computers	325.81	19.74	0.36	345.19	297.03	8.10	0.34	304.79	-	-	-	40.40	28.78
Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	16,631.44	767.36	784.16	16,614.64	11,755.14	577.69	543.50	11,789.33	-	-	-	4,825.30	4,876.30
PREVIOUS YEAR	15,234.09	1,460.55	63.19	17,375.81	11,266.79	551.05	62.70	11,755.14	-	-	-	4,876.30	-

Note: 1. Building include Rs.2,34,277/- being cost of co-ownership flats. (Previous Year Rs.2,34,277/-)

2. Fixed Assets include assets taken on hire purchase system after 01.04.2012

Vehicles Gross Block Rs. 96,77,792/- (Previous Year Rs. 80,93,078/-) and Net Block Rs. 67,89,223/- (Previous Year Rs. 63,21,304/-).

3. Details of Minimum Hire Purchase Payments and their Present Value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

Particulars	As at 31.03.2017		As at 01.04.2016	
	Min. HP Payment	Present Value	Min. HP Payment	Present Value
a) Not later than one year	19.39	12.61	11.23	13.16
b) Not later than one year and not later than five years	-	20.32	-	23.31
c) Later than five years	-	-	-	-

The Company has elected to measure all its Capital Working Process at the previous GAAP carrying amount i.e. 31st March 2017 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2017. The movement in carrying value of Capital Working Process as per IGAAP is mentioned below which has no difference in value under Ind AS.

ii) Capital Work in progress (GAAP)

	Balance as at 01.04.2017	Addition during the year	Deduction during the year	Balance as at 31.03.2018
Capital Work in progress Building	39.90	-	39.90	-
Capital Work in progress Plant & Machinery	976.72	3.12	359.09	620.75
Total	1,016.62	3.12	398.99	620.75

The Company has elected to measure all its Intangible Assets at the previous GAAP carrying amount i.e. 31st March 2017 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2017. The movement in carrying value of Intangible Assets as per IGAAP is mentioned below which has no difference in value under Ind AS.

iii) Other Intangible Assets (GAAP)

DESCRIPTION OF ASSETS	GROSS BLOCK		AMORTISATION		IMPAIRMENT			NET BLOCK			
	Balance as at 01.04.2016 (GAAP)	Addition	Disposals	Balance as at 01.04.2016	For the Year	Disposals	Balance as at 31.03.2017	Reversed during the Year	Provided during the year	Balance as at 31.03.2017	Balance as at 01.04.2016
COMPUTER SOFTWARE											
- Acquired	51.45	21.40	-	72.85	37.39	11.80	-	49.19	-	23.66	14.06
PATENTS											
- Acquired	20.30	-	-	20.30	20.30	-	-	20.30	-	(0.23)	(0.23)
TECHNICAL KNOWHOW											
- Acquired	215.21	-	-	215.21	172.17	43.04	-	215.21	-	-	43.04
TOTAL	286.96	21.40	-	308.36	229.86	54.84	-	284.70	-	23.43	56.87
PREVIOUS YEAR	281.43	5.53	-	286.96	175.64	54.21	-	229.86	-	57.10	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

A. NON-CURRENT ASSETS		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
6.	Investments						
a)	Investment Property		-		-		
	a) Equity instruments						
	Bodies Corporate:						
	Fair value through Other Comprehensive Income						
	Quoted Fully Paid Up						
	i) Anil Special Steel Industries Ltd.						
	111,705 Equity Shares of Rs.10/- each. (Including 10,155 Equity Shares received as Bonus in earlier years)	26.52		26.52		26.52	
	ii) Pamwi Tissues Ltd	13.28		13.28		13.28	
	260,130 Equity Shares of Rs.10/- each.						
	iii) Sumangala Investment Co. Ltd	0.42		0.42		0.42	
	4,200 Equity Shares of Rs.10/- each.						
			40.23		40.23		40
	Un-Quoted Fully Paid Up.						
	i) Shalimar Impel Ltd	0.10		0.10		0.10	
	1,000 Equity Shares of Rs.10/- each.						
	ii) Satya Sons Services Ltd	0.20		0.20		0.20	
	2,000 Equity Shares of Rs.10/- each.						
			0.30		0.30		0.30
			40.53		40.53		40.53
b)	Investments in Govt. or Trust Securities						
	7 Year National Savings Certificate. (Lodged with Govt. Authorities)	0.13	0.13	0.13	0.13	0.13	0.13
c)	Investments in Debentures or Bonds		-		-		-
d)	Investments in Mutual Funds		-		-		-
e)	Investments in Partnership Firms		-		-		-
h)	Other Non-Current Investment		-		-		-
			40.66		40.66		40.66
	Less: Amount of Impairment in value of Investments		39.13		38.98		38.61
	Total		1.53		1.67		2.05

Note: All the above investments are stated at cost. Provision for impairment is made to recognise a decline, other than temporary, in the value of long term investments, script wise.

Aggregate Value of Quoted Investments		40.23		40.23		40.23
Market Value of Quoted Investments		1.40		6.33		6.33
Aggregate Value of Un-Quoted Investments		0.43		0.43		0.43
Aggregate Amount of Impairment in value of Investments		39.13		38.98		38.61

7. Loans		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
a)	Others						
	Unsecured, Considered Goods:						
	Inter Corporate Deposits		-		406.18		406.18
	Total		-		406.18		406.18

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
8.	Other Non-Current Assets						
a)	Capital Advance		503.85		165.77		134.47
b)	Advances Other than Capital Advance						
	Security Deposit	176.90		168.40		199.46	
	Advance to Related Parties	-		-		-	
	Other Advances						
	Taxes & Duties Paid Under Protest	41.97		39.41		61.91	
	Advance Income Tax	123.99		84.83		51.92	
	Advance against Salary & Wages	82.85		71.26		57.77	
	Miscellaneous	-	248.82	-	195.49	363.90	171.60
	371						
c)	Others						
	Secured, Considered Goods:						
	Unsecured, Considered Goods:						
	Export Entitlement	242.14		111.18		111.18	
	Claim Receivable	27.63	269.76	29.81	141.00	77.04	188.22
	Total		1,199.32		670.67		693.76

Note: In respect of Claims Receivable for Rs. 2,697,618/- even though the amount is outstanding for a long period, no provision has been made as the same is considered good for recovery.

B CURRENT ASSETS

9	Inventories						
	(Valued at lower of cost or net realizable value, unless stated otherwise)						
a)	Raw Materials		768.34		688.17		808.39
b)	Work in Progress		1,066.22		1,394.18		1,469.40
c)	Finished Goods		95.27		99.61		163.79
d)	Stores & Spares		565.15		531.26		574.99
e)	Others						
	Scrap		1.01		0.37		1.66
	Total		2,496.00		2,713.60		3,018.23

10	Trade Receivables						
	Secured, Considered Goods:						
	Unsecured, Considered Goods:						
	Outstanding for a period exceeding six month	704.64		1,163.07		973.05	
	Other Debts	2,577.51	3,282.14	2,863.81	4,026.87	2,937.63	3,910.67
	Doubtful:						
	Outstanding for a period exceeding six month	270.20		-		-	
	Less: Provision for doubtful debts	270.20	-	-	-	-	-
	Total		3,282.14		4,026.87		3,910.67

11	Cash and Cash Equivalent						
a)	Balances with Banks						
	Current Account	399.63		136.90		115.68	
	Fixed Deposit	2,559.70	2,959.33	2,409.29	2,546.19		115.68
b)	Cash on hand		14.15		13.24		9.87
	Total		2,973.49		2,559.43		125.55

12	Bank Balances other than Cash and Cash Equivalents						
	Deposits under lien with banks						
	Fixed Deposit (Lodged with Bank as Margin)						
i)	Maturity period more than 12 months	303.76	303.76	275.91	275.91	298.38	298.38
	Total		303.76		275.91		298.38

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
13	Loans						
a)	Loans to Related Parties						
	Unsecured, Considered Goods		-		160.95		160.95
	Total		-		160.95		160.95

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
14	Other Current Assets						
a)	Advance Other than Capital Advance						
	i) Other Advances						
	Advance to Suppliers & Others	243.01		136.28		151.29	
	CENVAT Receivable	12.83		86.47		80.43	
	Vat receivable	3.52		5.49		4.21	
	TDS Receivable	-		3.12		-	
	Prepaid Expenses	21.15		33.33		29.78	
	Miscellaneous	31.84		64.73		42.16	
	Interest Receivable	5.50		4.86		4.55	
	Misc. Exp. Not Written Off	-	317.86	-	334.27	-	312.42
	Total		317.86		334.27		312.42

C EQUITY

15	Share Capital:						
a)	Authorised :						
	i) 50,000,000 Equity Shares of Rs.2 /- each.		1,000.00		1,000.00		1,000.00
	ii) 5,000,000 Preference Shares of Rs.100/- each.		5,000.00		5,000.00		5,000.00
	Total		6,000.00		6,000.00		6,000.00
b)	Issued, Subscribed & Paid Up :						
	i) Equity Shares Fully Paid Up :						
	42,755,123 (Previous Year 37,605,123) Equity Shares of Rs.2 /-each.						
	ii) Preference Share Fully Paid Up :						
	Nil (Previous year 2,934,349), 8% Cumulative Redeemable		855.10		752.10		752.10
	Preference Share of Rs,100/- each.		-		2,934.35		2,934.35
	Total		855.10		3,686.45		3,686.45

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

	As at 31st March, 2018			As at 31st March, 2017			As at 1st April, 2016		
	Nos	Nos	Nos	Nos	Nos	Nos	Nos	Nos	Nos
c) Reconciliation of the number of Equity Shares Outstanding:									
Number of Shares outstanding at the beginning of the year.			3,76,05,123			3,76,05,123			3,76,05,123
Add: Number of shares allotted as fully paid up during the year to lenders on conversion of loan into share capital without payment being received in cash.			51,50,000			-			-
Number of Shares outstanding at the end of the year.			4,27,55,123			3,76,05,123			3,76,05,123

Particulars	2017-18			2016-17			2015-16		
	Nos	Nos	Nos	Nos	Nos	Nos	Nos	Nos	Nos
d) Reconciliation of the number of Preference Shares Outstanding:									
Number of Shares outstanding at the beginning of the year.			29,34,349			29,34,349			29,34,349
Less: Number of shares redeemed during the year.		29,34,349			-			-	
			29,34,349			-			-
Number of Shares outstanding at the end of the year.			-			29,34,349			29,34,349

Name of Shareholders	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of Shares held Nos	% of Share held Nos	Number of Shares held Nos	% of Share held Nos	Number of Shares held Nos	% of Share held Nos
e) Shares in the Company held by each Shareholders holding more than 5% Shares.						
Sunita Khaitan	1,01,18,900	23.67	1,01,18,900	26.91	1,01,18,900	26.91
Reliance Sheet Works Pvt Ltd	72,51,481	16.96	72,51,481	19.28	72,51,481	19.28
Amit Commercial Co.Ltd	72,30,132	16.91	72,30,132	19.23	72,30,132	19.23
Asset Reconstruction Company (India) Ltd	1,11,00,000	25.96	59,50,000	15.82	59,50,000	15.82

f) In terms of the Order dated 10th June,2010 of the erstwhile BIFR, 5,950,000 fully paid Equity Shares of Rs.2/- have been issued at par during 2013-14 to ARCIL towards conversion of part of the term loan due to them for Rs.119.00 lacs without payment being received in cash.

Further, pursuant to the said order of the erstwhile BIFR and terms of settlement with ARCIL, 5150000 Equity Shares of Rs. 2/ each at par have been issued to ARCIL towards conversion of outstanding accrued interest on term loan without payment being received in cash.

g) Rights, Preferences and Restrictions attached to shares :

i) Each Equity Share holder holding shares of Rs.2/- each is eligible for one vote per share held and are entitled to receive dividends as declared from time to time. In the event of liquidation the equity shares holders are eligible to receive the remaining assets of the Company after distribution of all preferential creditors in proportion to their Shareholdings.

ii) 8% Cumulative Redeemable Preference shares issued as per IDBI sanction dated 13th June 2006 by way of converting their overdue interest has been paid off in terms of One Time Settlement (OTS). (Refer Footnote no.(b)(ii) of the Note No- 17).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

16 Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity balance.

A. Summary of Other Equity balance

Particulars	Balance as at 1st April, 2017	Addition	Deduction	Balance as at 31st March, 2018	Balance as at 1st April, 2016
Capital Reserve	-	-	-	-	-
Capital Redemption Reserve	-	-	-	-	-
Share option Outstanding Account	-	-	-	-	-
Debenture Redemption Reserve	-	-	-	-	-
Securities Premium Reserve	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-
General Reserve	287.63	-	-	287.63	287.63
Retained Earnings	(16,399.34)	20,346.57	-	3,947.23	-18575.91
Other Reserve					
Items of Other Comprehensive Income					
Remeasurement of Defined Benefit Plan	1.07	42.90		43.97	-
Fair value of Equity Instruments through OCI	(0.38)	(0.15)		(0.53)	-
Total	(16,111.01)	20,389.31	-	4,278.30	(18,288.27)

B. Nature and purpose of reserves

- General Reserve:** General Reserve was created in the past by way of appropriation of profits of the Company. This is a free reserve and can be utilised for any general purpose like for issue of bonus shares, payment of dividend, buy back of shares etc.
- Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Equity Instruments through Other Comprehensive Income:** The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in equity instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

C. Other Comprehensive Income accumulated in Other Equity, net of tax

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below :

Particulars	Remeasurements of defined benefit plans	Equity instruments through Other Comprehensive Income	Total
As at 1st April, 2016	-	-	-
Remeasurement gain/(loss) on defined benefit plans	1.07		1.07
Gain/(loss) on Equity Instruments recognised in other comprehensive income	-	(0.38)	(0.38)
Reclassified to Statement of Profit and Loss	-	-	-
Income tax effect	-	-	-
As at 31st March 2017	1.07	(0.38)	0.69
Remeasurement gain/(loss) on defined benefit plans	42.90	-	42.90
Gain/(loss) on Equity Instruments recognised in other comprehensive income	-	(0.15)	(0.15)
Reclassified to Statement of Profit and Loss	-	-	-
Income tax effect			-
As at 31st March 2018	43.97	(0.53)	43.44

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

D. Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

D NON-CURRENT LIABILITIES

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
17	Borrowings:						
	a) Debentures						
	Secured						
	i) 1,000,000 18% Redeemable Non-Convertible Debentures of Rs.100/- each privately placed with IDBI.	-		1,000.00		1,000.00	
	Less: Not disbursed by IDBI	-		100.00		100.00	
		-		900.00		900.00	
	Less: Overdue Portion of NCD (Refer Note No-23)	-		900.00		150.32	
	Less: Current maturity of NCD (Refer Note No-23)	-	-	-	-	749.68	-
	ii) 350,000 19% Redeemable Non-Convertible Debenture of Rs.100/- each privately placed with NIA.		21.46		21.46		21.46
	iii) 100,000 19% Redeemable Non-Convertible Debentures of Rs.100/- each privately placed with OIC.		89.89		89.89		89.89
	iv) 100,000 20% Redeemable Non-Convertible Debentures of Rs.100/- each privately placed with NIA.		105.46		105.46		105.46
	v) 506,662 14% Redeemable Debentures of Rs.30/- each (Non-Convertible Portion)	152.00		152.60		152.62	
	vi) 47,037 14% Redeemable Debentures of Rs.20/- each (Non-Convertible Portion)	9.41		9.41		9.41	
	vii) 7,089 14% Redeemable Debentures of Rs.10/- each (Non-Convertible Portion) (Including IDBI)	0.71		1.03		1.03	
		162.12		163.03		163.05	
	Less: Allotment Money in arrear.	-		0.87		0.87	
	Less: Unpaid Matured Debenture -Refer Note No-23(i)						
	Transfer to Investor Protection Fund	152.00		152.06		152.06	
	Other Overdue Debenture	10.12	-	10.10	-	10.12	(0.00)
			216.81		216.81		216.81
	b) Term Loan :						
	i) From Banks / Financial Institutions						
	Secured :						
	Asset Reconstruction Co. (India) Ltd. (ARCIL)	-		2,560.82		3,742.82	
	Kotak Mahindra Bank	1,800.00		-		-	
	Industrial Development Bank of India (IDBI)	-		990.00		990.00	
	IDBI (Asset Credit Scheme)	-		432.30		432.30	
		1,800.00		3,983.12		5,165.12	
	Less: Overdue Portion of Long Term Debt	-		1,422.30		1,422.30	
	Less: Current maturity of Long Term Debt (Refer Note -23(a))	-	1,800.00	308.00	2,252.82	300.00	3,442.82

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

D NON-CURRENT LIABILITIES

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
ii)	Other Parties						
	Secured :						
	Magma Housing Finance		761.98		848.87		511.62
	Unsecured :						
	Body Corporate	4,017.63		1,863.53		1,426.25	
	SICOM	47.58		47.58		47.58	
	Sale Tax Loan (Under Sales Tax Deferral Scheme)	269.06		269.06		269.06	
		4,334.27		2,180.17		1,742.89	
	Less: Overdue Portion of Long Term Debt	316.64		316.64		316.64	
	Less: Current maturities of Long Term Debts (Refer note no 23 (a))	-	4,017.63	-	1,863.53	-	1,426.25
			6,579.61		4,965.22		5,380.69
c)	Loans from Related Parties :						
	Unsecured :		16.75		16.75		16.75
d)	Long Term Maturities of Finance Lease (CAR)						
	Secured :						
	HDFC Bank Ltd	33.43		32.93		36.47	
	Tata Motors Finance Ltd	-		-		-	
	Family Credit Ltd	-		-		-	
		33.43		32.93		36.47	
	Less Current maturities of finance lease (Refer Note-23(b))	11.69	21.74	14.44	18.49	16.44	20.04
			21.74		18.49		20.04
	Total		6,834.91		5,217.27		5,634.28

NOTES :

Terms of Redemption / Repayment :

a) Debentures

- In respect of Note-17(a)(i) above, the Overdue Debentures privately placed with IDBI have been assigned to ARCIL during the year which, in turn, has been settled by the Company through One Time Settlement (OTS) - Refer Footnote (b)(ii).
- In respect of Note-17(a) (ii) to (iv) above, the repayment will be made after all the secured creditors agreeing the restructuring scheme pursuant to the Order dated 10th June, 2010 of the erstwhile BIFR have been fully paid off. Negotiations with the Debenture holders for One Time Settlements are under process.
- In respect of Note-17(a)(v) to (vii) above, were repayable at par on the expiry of 7th,8th and 9th years from the date of allotment i.e. 4th February,1992. The Company could not repay debentures on due dates in view of the Orders of the erstwhile BIFR. On dissolution of the erstwhile BIFR, the Company has been making payments to debenture holders as and when demanded and also taken up the matters with Debentures holders for One Time Settlements with them.
- In respect of Note-17(a)(v) above, payment has been made during the year for Rs. 0.07 lacs.

b) Term Loans :

- ARCIL : During the year, 2015-16 ARCIL has restructured the schedule of repayments of their outstanding Term Loan by segregating total outstanding as under effective from April, 2015 and ending on March, 2020 :

Principal Rs.34.00 Crore

Interest Rs.12.62 Crore

In terms of the One Time Settlement (OTS - 1) dated 29 September, 2017, the Company has settled its long outstanding debt with ARCIL by making prepayment of Rs.980 lacs during 2017-18 towards full and final settlement of the dues of ARCIL. Subsequent to the settlement of the total dues, the Company converted the outstanding accrued interest of ARCIL amounting to Rs.165, 87 .00 lacs into Equity Shares of the Company by issuing 51,50,000 Equity Shares of Rs.2/- each at par in accordance with Para 8(d) of the Sanctioned Scheme(SS-10) and the terms of settlement of the OTS stated above..The company has executed the Share Subscription and Shareholders Agreement with ARCIL in March 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

In the earlier years, all the dues of the Company to other Banks and Financial Institutions viz, State Bank of India, Allahabad Bank, Bank Of India, Canara Bank, Indian Overseas Bank, National Insurance Co. Ltd., and Industrial Investment Bank of India were taken over by ARCIL and included in the total dues to ARCIL. By virtue of this OTS with ARCIL the Company settled all its previous dues to Banks and Financial Institutions stated above.

- ii) The Company has also restructured its outstanding dues of IDBI during the year by paying Rs.1000 lacs towards settlement of their outstanding debentures, term loan and lease rental through One Time Settlement(OTS) and IDBI in turn, settled the Cumulative Redeemable Preference Shares which were issued against the outstanding interest dues of IDBI in 2006. The balance Principal & interest of IDBI (including debenture) Rs. 36,25.00 lacs was assigned to ARCIL during the year which in turn, has been settled by the Company through another One Time Settlement dated 27 March, 2018 (OTS - 2) by paying Rs.18,20.00 lacs to ARCIL
- iii) During the financial year 2017-18 Kotak Mahindra Bank Ltd., sanctioned a term loan of Rs.2000 lacs (with a sublimit of Rs. 500 lacs towards cash credit facilities) and non-fund facility towards Letter of Credit of Rs.1200 lacs to the company. The term loan is repayable in 60 monthly installments with a moratorium of one year as to the principal amount.

During the year ended March 31, 2018 the company availed Rs. 1800 lacs out of the sanctioned term loan.

The Letter of Credit limit of Rs. 12 crore is divided into three LCs of Rs. 400 lacs each having a tenure of 12 months, 24 months and 36 months. The company is required to maintain a 10% margin upfront with additional build-up of Rs.1.75 lacs per month for every Rs.100 lacs of Letter of Credit. At the end of the tenure the balance in the Letter of Credit after adjusting the aforesaid upfront and monthly margin will be converted into term loan so as to be repayable in 40 months, 28 months and 16 months respectively. The Letters of Credit are proposed to be utilised for import of machineries for the proposed expansion project.

- iv) Unsecured loans from promoters Rs. 16.75 lacs and certain bodies corporate Rs.11.25 lacs are repayable after the repayment of all settled dues of secured creditors are made pursuant to the Rehabilitation Scheme sanctioned by its Order dated 10th June'2010 of the erstwhile BIFR. As per the said sanctioned scheme of erstwhile BIFR, no interest is payable on above loans. Also refer to (i) above.
- v) Loans from SICOM & Sale Tax Loan (Under Sales Tax Deferral Scheme) are repayable over a period of five years after cutoff date (31.03.2009) in equal annual installments pursuant to the Rehabilitation Scheme sanctioned by vides its Order dated 10th June,2010 of the erstwhile BIFR. As per the above Order no interest is payable on these loan and hence no provision is required to be made for the same.

The Sales Tax Department vide their letter dated 26.06.2014 had restructured principal outstanding to be paid in 5 installments of Rs,58.34 lacs from the year 2014-15 to 2018-19 and the company has paid Rs.20.00 lacs against the same. However, later on, the department vide their letter dated 19.09.2015 has claimed interest of Rs,213.51 lacs which the company has protested; hence no provision for this has been made. However, The Company is in the process of negotiation with the Sales Tax Department for One Time Settlement with them.

- vi) Loan from Magma Housing Finance is repayable in 84 equated monthly installments (EMI) commencing from 31. 08. 2016.

c) Finance Lease :

In respect of Note-17(d) above, repayable in monthly installments from June 2014 to March,2023 for respective cars covered under above lease.

Nature of Security :

a) Debentures

- i) The aforesaid debentures have been secured by a First mortgage and charge, ranking pari passu, 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 and equipments purchased/to be purchased against Rupee and Foreign Currency Loans granted / to be granted by Financial Institution 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.

b) Term Loans :

- i) Term Loan from Kotak Mahindra Bank, is secured by first and exclusive charge on all the present and future assets of the company.
- ii) Term Loan from Magma Housing Finance of Rs.761.98 lacs (Previous Year Rs.848.87 lacs) is secured by personal property of promoter director and personal guarantee of promoter director and his family.

c) Finance Lease :

In respect of Note-17(d) above the aforesaid leases are secured by the hypothecation of the cars.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

Period and amount in continuing default :

Nature of Loans	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Amount of Default	Due Since	Amount of Default	Due Since	Amount of Default	Due Since
i) Industrial Development Bank of India-ACS			42.26	Sept'2013	42.26	Sept'2013
Do	-		62.42	Oct'2013	62.42	Oct'2013
Do	-		62.42	Nov'2013	62.42	Nov'2013
Do	-		19.08	Dec'2013	19.08	Dec'2013
Do	-		13.18	May'2014	13.18	May'2014
Do	-		62.42	Jun'2014	62.42	Jun'2014
Do	-		62.42	Jul'2014	62.42	Jul'2014
Do	-		62.42	Aug'2014	62.42	Aug'2014
Do	-		62.42	Sept'2014	62.42	Sept'2014
Do	-		62.42	Oct'2014	62.42	Oct'2014
Do	-		62.42	Nov'2014	62.42	Nov'2014
Do	-		62.42	Dec'2014	62.42	Dec'2014
Do	-		62.42	Jan '2015	62.42	Jan '2015
Do	-		62.42	Feb'2015	62.42	Feb'2015
Do	-		62.42	Mar'2015	62.42	Mar'2015
Do	-		62.42	Apl'2015	62.42	Apl'2015
Do	-		62.42	May'2015	62.42	May'2015
Do	-		62.42	Jun'2015	62.42	Jun'2015
Do	-		62.42	Jul'2015	62.42	Jul'2015
Do	-		62.42	Aug'2015	62.42	Aug'2015
Do	-		62.42	Sept'2015	62.42	Sept'2015
Do	-		62.42	Oct'2015	62.42	Oct'2015
Do	-		62.42	Nov'2015	62.42	Nov'2015
Do	-		62.42	Dec'2015	62.42	Dec'2015
Do	-		36.95	Jan '2016	36.95	Jan '2016
Total	-		1,422.30		1,422	

Nature of Loans	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Amount of Default	Due Since	Amount of Default	Due Since	Amount of Default	Due Since
ii) Unsecured Term Loan**						
SICOM	9.52	Mar'2010	9.52	Mar'2010	9.52	Mar'2010
Do	9.52	Mar'2011	9.52	Mar'2011	9.52	Mar'2011
Do	9.52	Mar'2012	9.52	Mar'2012	9.52	Mar'2012
Do	9.52	Mar'2013	9.52	Mar'2013	9.52	Mar'2013
Do	9.52	Mar'2014	9.52	Mar'2014	9.52	Mar'2014
Total	47.58		47.58		47.58	
Sale Tax Loan (Under Sales Tax Deferral Scheme)	57.81	Mar'2010	57.81	Mar'2010	57.81	Mar'2010
Do	57.81	Mar'2011	57.81	Mar'2011	57.81	Mar'2011
Do	57.81	Mar'2012	57.81	Mar'2012	57.81	Mar'2012
Do	57.81	Mar'2013	57.81	Mar'2013	57.81	Mar'2013
Do	37.81	Mar'2014	37.81	Mar'2014	37.81	Mar'2014
Total	269.06		269.06		269.06	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
18 Other Financial Liabilities						
Sales Tax in connection Leased Assets sales		43.43		43.43		43.43
Finance Lease Rent-IDBI (Including Interest)		-	157.54		156.22	
Less : Overdue Finance Lease Rent (Refer Note-23)	-		131.91		107.60	
Less : Current Maturities of Finance Lease Rent: Interest (Refer Note-23)	-		25.63		24.31	24.31
		-	157.54		131.91	
Total		43.43		43.43		67.74

Note : Finance Lease Rent of IDBI has been settled during the year through One Time Settlement (OTS). Refer Footnote.b(ii) of Note No-17.

19 Provisions :							
a) Provision for Employees Benefits							
Gratuity		438.20		412.33		411.02	
Leave Encashment		181.83	620.03	159.71	572.04	199.50	610.52
Refer note-39							
b) Others							
Debenture Premium		13.75		13.75		13.75	
Provision for Contingencies		3.50	17.25	3.50	17.25	3.50	17.25
Total			637.28		589.29		627.77

20 Other Non-Current Liabilities :							
Accrued Expenses			216.64		223.52		306.20
Total			216.64		223.52		306.20

E CURRENT LIABILITIES

21 Borrowings :							
a) Loan Repayable on Demand.							
i) From Banks							
Secured:							
Overdraft Current Account	110.92		126.76		110.64		
Unsecured:	-	110.92	-	126.76	-	110.64	
			110.92		126.76		110.64
b) Loans from Related Parties:							
Unsecured:		5.12		10.14		14.65	
			5.12		10.14		14.65
Total			116.04		136.90		125.29

Note : Nature of Security : The aforesaid Overdraft Current Account has been secured by Margin Money Deposit.

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
22 Trade Payable:						
Total Outstanding Dues of Micro and Small Enterprises		37.13		18.54		23.02
Total Outstanding Dues of Other than Micro and Small Enterprises		1,507.94		1,162.27		1,038.57
Total		1,545.07		1,180.82		1,061.59

Note :

- Amount dues to suppliers are subject to confirmation of the parties.
- The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2018 as under :

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

The Principal amount and Interest due thereon remaining unpaid to any supplier as at the end of the year.			37.13			18.54			23.02
The amount of Interest paid in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year.			145.81			121.66			125.32
The amount of interest due and payable for the period of delay payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.			-			-			-
The amount of Interest accrued and remaining unpaid at the end of the year.			-			-			-
The amount of Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.			-			-			-

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

23 Other Financial Liabilities :									
a) Current Maturities of Long Term Debts -Refer Note No-17(b)(i) & (ii)			-			308.00			300.00
b) Current Maturities of Finance Lease Obligations -Refer Note No-17(d)			11.69			40.08			40.74
c) Interest Accrued and Due on Borrowings			120.79			17,607.82			17,601.20
d) Unpaid Matured Debentures and Interest accrued thereon									
Other Overdue Debenture -Refer Note No-17(a)			10.12			10.10			10.12
Investor Education and Protection Fund (Matured Debenture) -Refer Note No-17(a)			152.00			152.06			152.06
Interest Accrued and Due			59.19	221.30		59.20	221.36		59.20
e) Other Payables									
Overdue Portion of Long Term Debt (Refer Note No-17(b) above)			316.64			1,738.94			1,738.94
Overdue Lease Finance Rent (Refer Note No-17)			-			131.91			107.60
Overdue Portion of NCD (Refer Note No-17(a)(i))			-			900.00			150.32
Current Maturity of NCD (Refer Note No-17(a)(i))			-			-			749.68
			316.64			2,770.85			2,746.54
Total			670.42			20,948.11			20,909.88

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
24 Other Current Liabilities						
Advance from Customers & Others		60.16		38.21		40.63
Statutory Liabilities		54.29		59.88		69.73
Salary, Wages & Bonus		276.13		326.65		337.75
Others		168.36		137.07		210.02
Total		558.94		561.80		658.13

25 Provisions :						
a) Provision for Employees Benefits						
Unpaid Gratuity		36.40		73.24		47.42
Leave Encashment		61.38	97.78	69.44	142.68	41.74
Total			97.78		142.68	89.16

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

		As at 31st March, 2018		As at 31st March, 2017	
26	Revenue from Operations				
a)	Sale of Products (Including Excise Duty and Net of GST)		10,748.05		11,017.97
b)	Other Operating Revenues				
	Export Entitlement	32.53		35.21	
	Conversion Charges Realisation	-		7.73	
	Scrap Sale*	26.09	58.61	22.02	64.96
	Total		10,806.67		11,082.93

Note : The Government of India has implemented Goods Service Tax (GST) from 1st July, 2017 replacing of Excise Duty, Service Tax and various other indirect taxes. In accordance with the requirement of Ind As 18, revenue for the year ended 31st March, 2018 is reported net of GST and as such the revenue for the year ended 31st March, 2018 is not comparable with the revenues reported in the previous year ended 31st March, 2017.

27	Other Income				
a)	Interest Income		195.61		261.87
b)	Other Non-Operating Income (Net)		135.88		183.96
	Total		331.49		445.83

28	Cost of Materials Consumed				
	Raw Materials Consumed		3,195.84		2,886.16
	Total		3,195.84		2,886.16

29	Change in Inventories				
	Closing Stock :				
	Finished Goods	95.27		99.61	
	Work in Progress:	1,066.22		1,394.18	
	Stock in Trade	-		-	
	Scrap	1.01	1,162.51	0.37	1,494.17
	Less : Opening Stock :				
	Finished Goods	99.61		163.79	
	Work in Progress:	1,394.18		1,469.40	
	Stock in Trade	-		-	
	Scrap	0.37	1,494.17	1.66	1,634.85
	Increase / (Decrease) in Stock		(331.66)		(140.69)

30	Employees Benefits Expense				
	Salaries and Wages		2,256.43		1,989.07
	Contribution to Provident Fund and Other Funds		123.23		124.38
	Staff Welfare Expense		211.10		153.20
	Total		2,590.75		2,266.65

Note : Salaries and Wages include Rs.8.25 lacs (Previous Year Rs.7.49 lacs) being expenses incurred on Research & Development.

		As at 31st March, 2018		As at 31st March, 2017	
31	Finance Cost				
	Interest Expense		797.06		774.92
	Total		797.06		774.92

Note : Interest Expense includes net interest on the defined benefit obligation under Ind AS-19 (Refer Note No. 44)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

32 Other Expenses					
	Stores & Spare parts consumption		683.83		758.23
	Rent		58.70		52.69
	Rates & Taxes		16.40		16.20
	Insurance		61.62		62.27
	Power & Fuel		427.22		427.51
	Repairs & Maintenance		612.01		624.31
	Travelling & Conveyance		448.93		376.92
	Directors' Fees		4.37		4.56
	Payments to Auditors		2.95		2.82
	Brokerage & Commission		167.71		184.97
	Legal and Professional Expenses		229.83		201.03
	Freight & Forwarding		111.65		94.20
	Adjustment to Carrying amount of Investment		-		-
	Loss on Sale of Tangible Assets		9.12		-
	Loss on Discarded of Tangible Assets		-		-
	Debenture Trustee Remuneration		0.40		-
	Bad Debts Written Off		156.80		91.54
	Sundry Balances Written Off		606.33		30.80
	Provision for Doubtful Debt		270.20		-
	Provision for Impairment Loss		-		-
	Preliminary Expenses Written Off		-		-
	Prior Period Expenses		25.47		6.79
	Net Loss on Foreign Currency Exchange		-		0.04
	Miscellaneous Expenses		633.13		686.51
	Total		4,526.66		3,621.38

33 Income from Exceptional Items					
a)	Profit on Sale of Properties		-		1,990.31
b)	Waiver of Financial Obligations made during the year by :				
	ARCIL		18,402		-
	IDBI		3,056		-
	Total		21,458		1,990.31

34 Other Comprehensive Income					
A.	(I) Items that will not be reclassified to profit or loss				
	(i) Changes in revaluation surplus;		-		-
	(ii) Remeasurements of the defined benefit plans;		42.90		1.07
	(iii) Equity Instruments through Other Comprehensive Income;		(0.15)		(0.38)
	(iv) Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss;		-		-
	(v) Share of Other Comprehensive Income in Associates and joint Ventures, to the extent not to be classified into profit or loss;		-		-
	(vi) Others (specify nature).		-		-
			42.75		0.69
				As at 31st March, 2018	As at 31st March, 2017
	(II) Income Tax relating to items that will not be reclassified to profit or loss				
	(i) Changes in revaluation surplus;		-		-
	(ii) Remeasurements of the defined benefit plans;		-		-
	(iii) Equity Instruments through Other Comprehensive Income;		-		-
	(iv) Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss;		-		-
	(v) Share of Other Comprehensive Income in Associates and joint Ventures, to the extent not to be classified into profit or loss;		-		-
	(vi) Others (specify nature).		-		-
			-		-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

- 6) A sum amounting to Rs.503.85 lacs has been paid as advance in respect of above contracts remaining to be executed on Capital Account and not provided for.

		As at 31st March, 2018			As at 31st March, 2017		
36	Additional Information						
	1. a) Depreciation and Amortization Expense						
	Tangible Assets			527.26			577.69
	Intangible Assets			9.02			54.84
	Total			536.27			632.54
	b) Payments to Auditors						
	Audit Fees			1.75			1.75
	Other Services			1.20			1.07
	Total			2.95			2.82

- 37 Current Tax is determined on the basis of the amount of tax payable under the Income Tax Act, 1961, if any. Deferred Tax Liabilities /Assets subject to consideration of prudence are recognized and carried forward only when there is reasonable certainty that sufficient taxable income will be available against which such Deferred Tax Liabilities/Assets can be adjusted.
- 38 Amounts due in respect of Trade Receivable Rs.3282.14 lacs, and Other Non Current and Current Assets Rs.746.86 lacs, are subject to confirmations but are considered good.
Also amounts due to parties under Non-Current Liabilities, Other Current Liabilities and Trade Payable Rs.5622.86 lacs are subject to confirmation from the respective parties.
- 39 In view of non-availability of profit, Debenture Redemption Reserve has not been created by the Company.
- 40 Provision for taxation is not considered necessary in view of continuation of relevant provisions of the Income tax Act, 1961, read with certain Judicial pronouncements.
- 41 Related Party Disclosures under Indian Accounting Standard (Ind As)-24 :
- (a) Key Management Personnel :
Mr. Sunil Kumar Khaitan
- (b) Relatives of Key Management Personnel :
Mr. Vedant Khaitan (Son of Mr Sunil Kumar Khaitan)
Mr. Dwarka Khaitan (President of Paper machine Wire Industries a unit of Shalimar Wire Industries Ltd)
- (c) Enterprises over which key management personnel and their relatives are able to exercise significant influence :
Shalimar Industries Limited
Anil Special Steel Industries Ltd.

Details of transactions between the Company and related parties and the status of outstanding balances as on 31st March, 2017:

Transactions with Related Parties	Enterprises over which significant Influence exists		Key Management Personnel		Relatives to Key Management Personnel		Total	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Remuneration:								
Mr. Sunil Kumar Khaitan	-	-	41	45	-	-	41	45
Salary & Other Perquisites								
Mr. Vedant Khaitan					13.27	9.66	13.27	22.93
Mr. Dwarka Khaitan					23.71	21.91	23.71	21.91
Balance Outstanding:								
Inter Corporate Deposit receivable								-
Anil Special Steel Industries Ltd.	-	157.62	-	-	-	-	-	157.62
Shalimar Industries Limited	-	3.32	-	-	-	-	-	3.32
Accounts Receivable:								-
Anil Special Steel Industries Ltd.	-	27.03	-	-	-	-	-	27.03
Shalimar Industries Limited	4.45	4.45	-	-	-	-	4.45	4.45
Mr. Dwarka Khaitan					-	0.20		
Accounts Payables:								
Mr. Sunil Kumar Khaitan	-	-	31.98	36.78	-	-	31.98	36.78
Mr. Vedant Khaitan	-	-	-	-	-	-	-	-
Mr. Dwarka Khaitan					9.17	11.46	9.17	11.46

- Note :**
- No amount has been written back during the year in respect of due to related parties.
 - Written off during the year in respect of due from related parties.
 - No provision for doubtful debts in respect of dues from related parties has been made.

42 Segment Reporting

Based on the guiding principles given in Indian Accounting Standard (Ind As)108 'Segment Reporting', the Company's primary business segments are

- (a) Paper Mill Product and (b) EDM Wire.

Segment wise Revenue, Results and Capital Employed for the year ended 31st March, 2018 :

		As at 31st March, 2018		As at 31st March, 2017	
A.	Primary Segment				
A.1.	Segment Revenue				
	(a) Paper Mill Products				
	i) External Revenue		9,533.16		9,811.65
	(b) EDM Wire				
	i) External Revenue		1,273.51		1,271.28
			10,806.67		11,082.93
A.2.	Segment Results				
	(a) Paper Mill Products		(667.49)		647.88
	(b) EDM Wire		21.98		(132.53)
	(c) Others		-		-
	Total Segment		(645.51)		515.35
	Un-allocated corporate expenses net of un-allocated income		-		-
	Operating profit		(645.51)		515.35
	Other Income		331.49		445.83
	Finance Cost		(797.06)		(774.92)
	Total Profit/(Loss) before exceptional item		(1,111.09)		186.26
	Exceptional items - income/(expenditure) - unallocated/corporate		21,457.66		1,990.31
	Total Profit/(Loss) before tax		20,346.57		2,176.57
	Tax Expense				
	Current tax		-		-
	Deferred tax charge/(credit)		-		-
	Total Profit/(Loss) for the year		20,346.57		2,176.57

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

		As at 31st March, 2018		As at 31st March, 2017	
		Assets	Liabilities	Assets	Liabilities
A.3	Segment Assets and Liabilities				
(a)	Paper Mill Products	14,456.92	2,770.06	14,953.32	2,486.09
(b)	EDM Wire	615.52	131.55	600.37	334.67
(c)	Unallocable Items	781.48	7,818.91	1,065.58	26,223.06
	Total	15,853.92	10,720.52	16,619.27	29,043.83

		As at 31st March, 2018		As at 31st March, 2017	
		Capital Expenditure	Depreciation	Capital Expenditure	Depreciation
A.4	Capital expenditure including capital work-in-progress and depreciation				
(a)	Paper Mill Products	359.50	534.82	791.88	621.79
(b)	EDM Wire	-	1.46	-	10.75
(c)	Others	-	-	-	-
	Total	359.50	536.27	791.88	632.54

B. Secondary Segment

Geographical distribution of segment revenues

Country	As at 31st March, 2018		As at 31st March, 2017	
	Paper Mill Products	EDM Wire	Paper Mill Products	EDM Wire
India	7,983.08	1,070.92	8,173.81	1,051.11
Outside India	1,857.32	226.83	2,083.67	220.17
Total	9,840.40	1,297.75	10,257.48	1,271.28

Note :

- The Company has disclosed business segment as the primary segment.
- Transactions between segments are for materials which are transferred at cost.
- 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 and dividend income.
- 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, share capital, reserves and surplus.
- Fixed Assets used in Company's business or liabilities contracted have not been identified to any of the reportable geographical segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made.

43 Disclosure in terms of Indian Accounting Standard (Ind As) -37

- Movement for Provision for Liabilities :

Particulars	Legal Cases (Rs in lacs)
Balance as at 1st April, 2017	3.50
Provided During the period	-
Amount used during the period	-
Reversed during the period	-
Balance as at 31st March, 2018	3.50
Timing of outflow/uncertainties	Outflow on settlement/ Crystallization

- The Contingent Liabilities & Liabilities are dependent upon Court decision/out of Court Settlement/Disposal of appeals, etc.
- No reimbursement is expected in the case of Contingent Liabilities & Liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

44 Employees Benefits under Indian Accounting Standard (Ind As) - 19 :

As per Indian Accounting Standard (Ind As) - 19 "Employee Benefits", the disclosure of Employee Benefits as defined in the Indian Accounting Standard (Ind As) 19 are as follows :

a) 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 :

Defined Contribution Plan	As at 31st March, 2018 (Rs.in lacs)	As at 31st March, 2017 (Rs.in lacs)
Employer's Contribution to Provident Fund	123.23	124.38
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Employee State Insurance Scheme	24.09	13.23
Employer's Contribution to Labour Welfare Fund	0.08	0.09

b) 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 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 :

A. Change in Defined Benefit Obligation

Particulars	Gratuity						Leave Encashment		
	Funded			Unfunded			Funded		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Defined Benefit Obligation at beginning of the year	94.36	87.11	74.40	522.89	474.15	393.41	229.15	234.81	174.51
Current Service Cost	3.05	3.17	2.95	35.63	35.32	33.35	28.25	57.85	22.06
Past Service Cost	-	-	-	-	-	-	-	-	-
(Gain)/Loss on settlements	-	-	-	-	-	-	-	-	-
Interest Cost	7.55	6.97	5.95	38.99	37.93	31.47	15.84	18.69	13.87
Benefit Payments from Plan Assets	-	(4.77)	(3.85)	(39.67)	-	-	-	-	-
Benefit Payments from Employer	-	-	-	-	(23.73)	(14.11)	(44.32)	(32.78)	(26.86)
Settlement Payment from Plan Assets	-	-	-	-	-	-	-	-	-
Settlement Payment from Employer	-	-	-	-	-	-	-	-	-
Others (Employees Contribution, Taxes, Expenses)	-	-	-	-	-	-	-	-	-
Increase/(Decrease) due to effect of any business combination	-	-	-	-	-	-	-	-	-
Increase/(Decrease) due to plan combination	-	-	-	-	-	-	-	-	-
Remeasurements-Due to Demographic Assumptions	-	-	-	-	-	-	-	-	-
Remeasurements-Due to Financial Assumptions	(6.70)	1.88	7.66	(9.12)	19.83	35.85	(1.03)	7.09	13.94
Remeasurements-Due to Experience Adjustments	-	-	-	(24.53)	(20.61)	(5.83)	15.32	(56.51)	37.30
Defined Benefit Obligation at end of the year	98.26	94.36	87.11	524.19	522.89	474.15	243.21	229.15	234.81

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

B. Change in Fair Value of Plan Assets

Particulars	Gratuity						Leave Encashment		
	Funded			Unfunded			Funded		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fair Value of Plan Assets at beginning of the year	52.21	43.53	38.46	37.32	22.53	26.81	-	-	-
Interest Income	-	-	-	2.89	1.80	2.15	-	-	-
Employer Contributions	29.81	9.80	5.80	51.00	38.20	10.14	-	-	-
Employer Direct Benefit Payments	-	-	-	-	-	-	44.32	32.78	26.86
Employer Direct Settlement Payments	-	-	-	-	-	-	-	-	-
Benefit Payments from Plan Assets	-	(4.77)	(3.85)	(39.67)	(23.73)	(14.11)	-	-	-
Benefit Payments from Employer	-	-	-	-	-	-	(44.32)	(32.78)	(26.86)
Settlement Payment from Plan Assets	-	-	-	-	-	-	-	-	-
Settlement Payment from Employer	-	-	-	-	-	-	-	-	-
Others (Employees Contribution, Taxes, Expenses)	-	-	-	-	-	-	-	-	-
Increase/(Decrease) due to effect of any business	-	-	-	-	-	-	-	-	-
Increase/(Decrease) due to plan combination	-	-	-	-	-	-	-	-	-
Remeasurements-Return on Assets	4.50	3.65	3.12	(1.96)	(1.48)	(2.46)	-	-	-
Fair Value of Plan Assets at the end of the year	86.52	52.21	43.53	49.59	37.32	22.53	-	-	-

C. Statement of Profit & Loss

The charge to the Statement of Profit and Loss comprises :

Particulars	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Employees Benefit Expense						
Current Service Cost		3.05	3.17	35.63	35.32	28.25
Past Service Cost		-	-	-	-	-
(Gain)/Loss on settlements		-	-	-	-	-
Reimbursement Service Cost		-	-	-	-	-
Finance costs						
Interest Expense on Defined Benefit Obligations		7.55	6.97	38.99	37.93	15.84
Interest (Income) on Plan Assets		-	-	(2.89)	(1.80)	-
Interest (Income) on Reimbursement Rights		-	-	-	-	-
Interest Expense on (Asset Ceiling)/Onerous Liability		-	-	-	-	-
Reimbursement of Other Long Term Benefits		-	-	-	-	-
Net impact on profit (before tax)		10.60	10.14	71.72	71.45	44.09
Remeasurement of the net defined benefit plans						
Remeasurements-Due to Demographic Assumptions		-	-	-	-	-
Remeasurements-Due to Financial Assumptions		(6.70)	1.88	(9.12)	19.83	(1.03)
Remeasurements-Due to Experience Adjustments		-	-	(24.53)	(20.61)	15.32
(Return) on Plan Assets (Excluding Interest Income)		(4.50)	(3.65)	1.96	1.48	-
(Return) on Reimbursement Rights		-	-	-	-	-
Change in Asset Ceiling/Onerous Liability		-	-	-	-	-
Net impact on Other Comprehensive Income (before tax)		(11.20)	(1.77)	(31.70)	0.70	14.29

Note: In case of leave encashment there is no change in recognition of expenses between IND AS-19 and AS-15 and hence all components of have been routed through profit and loss statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

D. Balance Sheet

The assets, liabilities and surplus/(deficit) position of the defined benefit plans at the Balance Sheet date were :

Particulars	Gratuity						Leave Encashment		
	Funded			Unfunded			Funded		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Funded plans in deficit :									
Defined Benefit Obligations	98.26	94.36	87.11	524.19	522.89	474.15	243.21	229.15	234.81
Fair Value of Plan Assets	(86.52)	(52.21)	(43.53)	(49.59)	(37.32)	(22.53)	-	-	-
Net Asset/(Liability) recognized in Balance Sheet	11.74	42.15	43.58	474.60	485.57	451.62	243.21	229.15	234.81

E. Actuarial Assumptions :

The principal financial assumptions used for valuation as at the valuation date. The assumptions as at the valuation date used to determine the Present Value of Defined Benefit Obligation at the date.

i) Financial Assumptions

Particulars	Gratuity						Leave Encashment		
	Funded			Unfunded			Funded		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Discount Rate(per annum)		8%	8%		7.50%	8%	7.75%, 7.5%	7.5%	8%
Salary Escalation - First 5 years	-	7%	7%		6%	6%	6%, 8%	6%, 7.5%	6% 7.5%
Salary Escalation - After 5 years		7%	7%		6%	6%	6%	6%	6%
Expected Rate of Return on Plan Assets					7.50%	8%	N/A	N/A	8%
Disability Rate	5% of Mortality Rate	5% of Mortality Rate	of 5% Mortality Rate	5% of Mortality Rate	5% of Mortality Rate	5% of Mortality Rate	of 5% Mortality Rate	5% of Mortality Rate	5% of Mortality Rate
Withdrawal Rate		1% to 8%	1% to 8%		1% to 8%	1% to 8%	1% to 8%	1% to 8%	1% to 8%
Retirement Age	58 years	58 years	58 years	58 years	58 years	58 years	58 years	58 years	58 years
Average Future Service	16.04	16.04	16.04	16.04	16.04	16.04	14.82	14.84	15.55

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table

F. Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumption. The change in the Present value of Defined Benefit Obligation for a change of 100% Basis Points from the assumed assumption is given below-

Particulars	Defined Benefit Obligation			
	Gratuity		Leave Encashment	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Under Base Scenario	52418785	52289369	19071913	18516755
Salary Escalation - (Up by 1%)	56528784	56662735	20386890	19905826
Salary Escalation - (Down by 1%)	48700932	48354386	17896404	17302587
Withdrawal Rates (Up by 1%)	52807148	52864552	19212600	18720439
Withdrawal Rates (Down by 1%)	51988755	51818765	18915704	18350104
Discount Rates (Up by 1%)	48990328	48439592	17957058	17329363
Discount Rates (Down by 1%)	56281892	56642017	20333852	19898988

Note : Above information have been compiled on the basis of Certificates issued by the Actuaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in Lacs

45 Earning Per Shares

	As at 31st March, 2018 (Rs.in lacs)	As at 31st March, 2017 (Rs.in lacs)
a) Profit/(Loss) for the year	20,346.57	2,176.57
b) Weighted average number of Basic Equity Shares of Rs.2/- each outstanding during the year (No. of shares in lacs)	427.55	376.05
c) Weighted average number of Diluted Equity Shares of Rs.2/- each outstanding during the year (No. of shares in lacs)	427.55	376.05
d) Basic Earning Per Shares (Rs) a/b	47.59	5.79
e) Diluted Earning Per Shares (Rs) a/c	47.59	5.79

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

As per our report of even date.
For **KHANDELWAL RAY & CO**
Chartered Accountants
FR NO. 302035E

CA. S. Khandelwal
Partner
Membership No.054451
Kolkata
Date : 23.05.2018

Sunil Khaitan
Managing Director

Dipak Dasgupta
Director

S. J. Sengupta
President & CFO

S. K. Kejriwal
Company Secretary

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