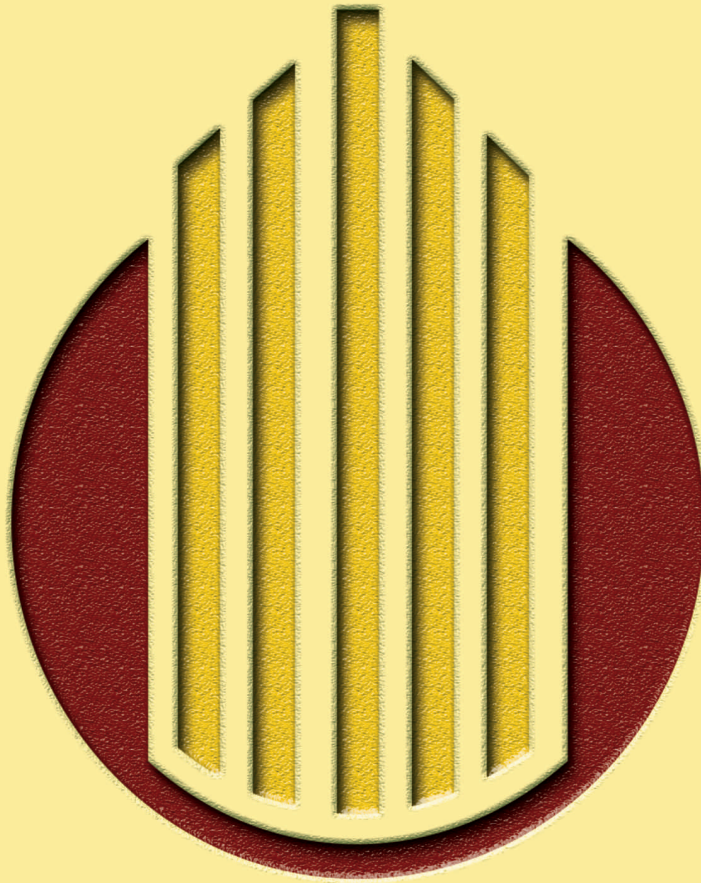


**24TH ANNUAL REPORT
2019-2020**



Shalimar
Wires Industries Limited

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.

CORPORATE INFORMATION

Board of Directors

Chairman & Managing Director

MR. SUNIL KHAITAN

Directors

MR. DIP MITRA (Nominee Director representing ARCIL)

MR. PARMANAND TIWARI

DR. RAJIVA

MR. DIPAK DASGUPTA (resigned on 6th August, 2019)

MS. SURABHI SANGANERIA (resigned on 12th November, 2019)

MRS. TRISHNA GUHA (w.e.f. 11th February, 2020)

Key Managerial Personnel

MR. S. J. SENGUPTA – President & Chief Financial Officer

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

Solicitors

Khaitan & 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

Email : swilho@shalimarwires.com

website : www.shalimarwires.com

CIN No. L74140WB1996PLC081521

Registrar & Share Transfer Agent

Maheshwari Datamatics Pvt.Ltd.

23 R.N. Mukherjee Road

Kolkata – 700 001

Tel.Nos: (033) 2243-5029/5809, 22482248

Fax : (033) 2248 4787

E-mail : mdpldc@yahoo.com

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NOTICE

Notice is hereby given that the 24th Annual General Meeting of the members of SHALIMAR WIRES INDUSTRIES LIMITED will be held on Wednesday, the 30th September, 2020 at 11.00 A.M. through video conferencing or other audio visual means for which purpose Registered office at 25, Ganesh Chandra Avenue, Kolkata- 700 013 shall be deemed for venue of meeting and proceeding of the AGM shall be deemed to be made thereat, to transact the following business :

Ordinary Business :

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2020 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Khaitan (DIN: 00385961) who retires by rotation and being eligible, offers himself for re-appointment.

Special Business :

3. To consider and if thought fit, to pass with or without modification (s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to provisions of Sections 196,197,203 and other applicable provision, if any, of the Companies Act, 2013 (the Act) read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) ('the Act'), or any other law for the time being in force and in pursuance of articles of association of the Company and on the recommendation of Nomination and Remuneration Committee of the Board and the Board of Directors, consent of the Company be and is hereby accorded for the reappointment of Mr. Sunil Khaitan as the Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2020, whose office shall be liable to determination by retirement of directors by rotation, on the terms and conditions including remuneration set out in the Explanatory Statement and the Board be and is hereby authorized to enter into a formal agreement for this purpose."

"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to the provisions of Schedule V to the Act, the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and are hereby authorised to alter and vary the terms and conditions of appointment including remuneration, if necessary, in such manner as may be agreed to by and between the Board and Mr. Sunil Khaitan, within such prescribed limit(s) or ceiling and the agreement between the Company and the Managing Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Members of the Company in General Meeting."

FURTHER RESOLVED THAT in the event of absence or inadequacy of profits in any financial year during the term of Mr. Sunil Khaitan as Managing Director, the remuneration as set out in the explanatory statement annexed to the notice be paid or granted to Mr. Sunil Khaitan as minimum remuneration provided that the total remuneration by way of salary and all other allowances shall not exceed the ceiling laid down in Section II of Part II of Schedule V to the Act or such other amount as may be provided in the said schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

NOTICE (Contd.)

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and is hereby severally authorised to take such steps as may be necessary for obtaining necessary approvals if any, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution.”

4. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to Section 149, 152 and all other applicable provisions read with Schedule IV to the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Trishna Guha (DIN: 08200779), who was appointed as an Additional (Independent) Director by the Board of Directors with effect from 11th February, 2020 and who holds office until the date of this AGM, in terms of Section 161 of the Companies Act, 2013 and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Trishna Guha as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for 5 (five) consecutive years commencing from February 11, 2020 to February 10, 2025.”

“**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary , be and is/are hereby authorised to file E-Form with the Registrar of Companies, Kolkata and for intimating the same to any other authority.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Mitra Bose & Associates, Cost Accountants (Registration No. 000037), appointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 be paid remuneration of Rs.50,000/- (Rupees fifty Thousand only) plus Goods and Service Tax (GST) as applicable.

“RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company, be and is/are hereby severally authorized to take all such steps as may be necessary, proper and expedient to give effect to the aforesaid resolution.

Place: Kolkata
3rd September, 2020

By Order of the Board
Shalimar Wires Industries Limited

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

S.K. Kejriwal
Company Secretary
Membership No. ACS 10031

NOTICE (Contd.)**Notes-**

1. The Register of Members and the Share Transfer Register of the Company will remain closed from Wednesday, 23rd September, 2020 to Wednesday, 30th September, 2020 (both days inclusive).
2. In view of the massive outbreak of the COVID-19 pandemic and to follow the social distancing norms and pursuant to the Circular No. 20/2020 dated May 05, 2020 read with Circular No. 14/2020 dated April 08, 2020 and Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars"), AGM shall be conducted through VC/OAVM without the physical presence of the members at a common venue. Members can attend and participate at the ensuing AGM through VC/OAVM only. The venue of the AGM shall be deemed to be the registered office of the Company at 25, Ganesh Chandra Avenue, Kolkata- 700 013.
3. **ONLY A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE AGM THROUGH VC/OAVM.** Pursuant to the MCA Circulars, the facility to appoint proxies by the members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, pursuant to Section 113 of the Companies Act, 2013, corporate members are entitled to appoint authorised representative to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
4. The members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in this Notice. The facility to join the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large shareholders (holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the audit committee, nomination and remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. In line with MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.shalimarwires.com. The Notice can also be accessed from the website of BSE Limited (stock exchange) at www.bseindia.com and on the website of Central Depository Services Limited (CDSL) (agency for providing the e-Voting facility) at <https://www.evotingindia.com/>.
7. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participant. Members holding shares in physical form are requested to submit their PAN to the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited through the web link : <http://mdpl.in/form/pan-update/>
8. Members desirous of getting any information about the financial statements and/or operations of the Company are requested to address their queries to the Company through email at secretarial@shalimarwires.com at least 10 (Ten) days in advance of the AGM i.e. by 21st September, 2020, so that proper information can be made available at the AGM.
9. Pursuant to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

NOTICE (Contd.)

requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed unless the securities are held in dematerialised form with a depository. Therefore, members are requested to consider dematerialising shares held by them in physical form.

10. Members holding the Company's shares in dematerialised form are requested to intimate all changes relating to their bank account details, change in their registered address, e-mail ID, nomination, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates etc. to their respective Depository Participants (DPs), if they have not done so already. Members holding the Company's shares in physical form are requested to intimate such changes to the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited.
11. Members who are yet to provide required particulars for the purpose of maintaining records in the new format of Register of Members pursuant to Section 88 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 are requested to intimate following information to the Company's Registrar and Share Transfer Agent, M/s Maheshwari Datamatics Private Limited as may be applicable for respective members:
 - I. E-mail ID; II. Permanent Account Number (PAN) or Corporate Identification Number (CIN); III. Father's/Mother's/Spouse Name; IV. Unique Identification Number (Aadhar No.); V. Occupation; VI. Status; VII. Nationality; VIII. In case member is a minor, name of guardian and date of birth of minor member; IX. Name and address of nominee (in Form SH-13).
12. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Rules, 2015, Regulation 44 of SEBI (LODR) Regulation, 2015 and Secretarial Standard- 2, the Company is pleased to provide Members holding shares either in physical form or in dematerialized form facility to exercise their right to vote at the 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
13. The e- voting period commences on **26th September, 2020 (09.00 AM) and ends on 29th September, 2020 (05.00 PM)**, both days inclusive. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23rd September, 2020, may cast their vote electronically. Once the vote on a resolution is casted by the member, the member shall not be allowed to change it subsequently or cast his vote by any other means.
14. **The instructions for members for voting electronically are as under :**
 - A. In case of members receiving e-mail:
 - i) Log on to the e-voting website www.evotingindia.com during the voting period. Click on "Shareholder" tab.
 - ii) Now, select "SHALIMAR WIRES INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
 - iii) Put user ID and password.
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 digit client ID

NOTICE (Contd.)

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in Dematerialized form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat and physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. Sequence number is communicated in the Attendance Slip/ Covering letter.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account in dd/mm/yyyy format or folio.

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Please note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN against the Company's name for which you choose to vote i.e. SHALIMAR WIRES INDUSTRIES LIMITED.
- xii) On the voting page, you will see RESOLUTION DESCRIPTION and against the same the option YES or NO for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire resolution details.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

NOTICE (Contd.)

- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take print out of the voting done by you by clicking on "click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com/> and register themselves as Corporate.
- xix) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
- xx) After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- xxi) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- xxii) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

15. Instruction for members to register their email addresses with the Company / Depositories, for receiving User ID and Password for e-Voting on the resolutions set out in this notice and to participate at the AGM through VC/OAVM :

Members holding shares in physical mode and who have not registered their email address with the Company can get the same registered through the web link : <http://mdpl.in/form/email-update>. Members are requested to provide Folio No., name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN/AADHAR for verification at the time of registration of the email address. In case of any difficulty, please contact us by email at mdpldc@yahoo.com or secretarial@shalimarwires.com.

Members holding shares in the dematerialised mode and who have not registered their email address are requested to register / update their email address with their respective Depository Participant(s).

Alternately, members may send an email request to helpdesk.evoting@cdslindia.com. for obtaining User ID and Password by providing the details mentioned above.

16. Instructions for members for e-Voting on the day of the AGM are as under :

- i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- ii) Only those members, who will be present at the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting website at the AGM.
- iii) Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

NOTICE (Contd.)

17. The voting rights of members shall be in proportion to their shares in the paid up ordinary share capital of the Company as on the cut-off date, Wednesday, 23rd September, 2020.

Any person, who acquires share(s) of the Company and becomes member of the Company after sending the notice of AGM and holding share(s) as on the cut-off date, Wednesday, 23rd September, 2020, may obtain the User ID and Password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-Voting then you can use your existing User ID and Password to cast your vote.

18. A person, whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, Wednesday, 23rd September, 2020, shall only be entitled to attend and vote at the AGM.
19. Mr. Mohan Ram Goenka, a practicing company secretary, has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
20. The Scrutinizer shall, after the conclusion of e-Voting at the AGM, will download the votes cast at the AGM and unblock the votes cast through remote e-Voting and shall make, a consolidated Scrutinizer's Report. The results of the e-Voting will be declared by the Chairman or a person authorised by him in writing within 48 hours from the conclusion of the AGM.
21. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company (www.shalimarwires.com) and on the website of CDSL immediately. The results shall simultaneously be forwarded to the BSE Limited and CSE Limited, where the shares of the Company are listed.

22. Instructions for members for attending the AGM through VC/OAVM are as under :

Members will be able to attend the AGM through VC/OAVM by using their remote e-Voting login credentials and selecting the EVSN on the CDSL e-Voting website: www.evotingindia.com under shareholders/members login. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in this notice.

- a) Members are requested to join the AGM using Laptop for better experience.
- b) Members will be required to allow camera and use Internet with a good speed to avoid any disturbance during the AGM.
- c) Please note that members connecting from Mobile Devices or Tablets or through Laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.
- d) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request from their registered email address mentioning their name, DPID and CLID/Folio number, mobile number at secretarial@shalimarwires.com. Those shareholders who have registered themselves as a speaker latest by 4:00 P.M. on 21st September, 2020 will only be allowed to express their views or ask questions during the AGM.

In terms of Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder and MCA Circular No. 20/2020 dated May 05, 2020, the Annual Report for the financial year ended 31st March, 2020, comprising of Board's Report, Independent Auditors' Report, Financial Statements, etc. alongwith this

NOTICE (Contd.)

Notice, is being sent by electronic mode only to those members who have registered their email IDs with their respective depository participant(s) or with the registrar and share transfer agent of the Company. Members may also note that the AGM Notice, inter-alia, indicating the process and manner of e-Voting and participating at AGM through VC/OAVM and the Annual Report for the financial year ended 31st March, 2020 is also available on the Company's website (www.shalimarwires.com).

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an e-mail to helpdesk.evoting@cdslindia.com. Further queries relating to remote e-voting may be addressed to Mr. S.K. Kejriwal, Company secretary, 25 Ganesh Chandra Avenue, Kolkata- 700013, email - secretarial@shalimarwires.com, Phone No. (033) 22349308.

23. All documents referred to in the accompanying notice and the statement annexed thereto shall be made available for inspection through electronic mode, basis on the request being sent at secretarial@shalimarwires.com.
24. The scanned copies of Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts and Arrangements in which directors are interested and the relevant documents referred to in this notice will be available electronically for inspection by the members during the AGM.
25. Members who are holding 14% Partly convertible Debentures of Rs. 30/- each and have not yet surrendered their debenture certificate(s) are requested to surrender the same to the Company at its Registered Office at 25, Ganesh Chandra Avenue, Kolkata-700 013 for redemption.
26. Brief resume of Directors proposed to be appointed/ re-appointment at the ensuing Annual General Meeting in terms of Regulation 26 (4) and 36 (3) of the SEBI (LODR) Regulation, 2015 and Secretarial Standard for General Meetings (SS-2) is annexed hereto and forms part of this Notice. The Company is in receipt of relevant disclosures from the Directors pertaining to their appointment/ re-appointment.
27. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business as set out in this notice, is annexed hereto.
28. M/s. Khandelwal Ray & Co., Chartered Accountants, Kolkata (Firm Regn. No. 302035E) was appointed as statutory auditors of the Company by the members at the AGM of the Company held on 22nd September, 2017 to hold office for a term of consecutive 5(five) years commencing from the conclusion of that AGM until the conclusion of the 26th AGM on a remuneration to be mutually agreed upon with the Board of directors subject to ratification by the members at every AGM. Consequent to the amendment in Section 139 of the Companies Act, 2013, vide which the proviso requiring ratification of such appointment by members at every AGM has been omitted, no item has been included in this Notice towards ratification of such appointment. Accordingly, M/s. Khandelwal Ray & Co. shall continue to hold the office as statutory auditors of the Company for the remaining term of their appointment as approved by the members at the AGM held on 22nd September, 2017 without ratification of such appointment at every AGM.

ANNEXURE TO THE NOTICE

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102
OF THE COMPANIES ACT, 2013

Item No. 3

Mr Sunil Khaitan is presently Chairman & managing Director of the Company, a commerce graduate and having vast experience of more than 39 years in the industry. Mr Khaitan has in-depth knowledge of the operation in manufacture of Synthetic wire cloth and other products manufactured by the Company and overall responsible for operation of the Company. His existing terms of appointment i.e. from 1st April, 2017 till 31st March, 2020 for a period of 3 years after obtaining shareholders approval by way of Special resolution in the general meeting held on 22nd September, 2017, has expired on 31st March, 2020. The re-appointment falls due for renewal w.e.f. 01.04.2020. On the recommendation of the Nomination and Remuneration Committee in its meeting held on 3rd February, 2020 and the Board of Directors of the Company at its meeting held on 11th February, 2020 have, subject to the approval of the members, re-appointed Mr. Sunil Khaitan (holding DIN: 00385961) as Managing Director of the Company for a period of 3 (three) years effective from 1st April, 2020 whose period of office shall be liable to determination by retirement of directors by rotation on the existing terms and conditions, which are as under:-

1. Salary at the rate of Rs.3,70,000/- (Rupees three Lac seventy thousand) per month. i.e. Rs. 44,40,000 (Rupees forty four lacs forty thousand) per annum. In addition to the Salary, Mr. Khaitan shall also be entitled to get the following benefit:-
 - (a) To the perquisites/benefits like furnished accommodation/house rent allowances, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance etc. as per rules of the company. Perquisites/benefits will be evaluated at actual cost, and will not exceed Rs.3,30,000/- p.m. i.e. Rs. 39,60,000/- per annum. Total remuneration including perquisite/benefits shall not exceed Rs.7,00,000/- p.m. or Rs. 84,00,000/- per annum.

However, in computation of the aforesaid remuneration, the following perquisites shall not be included:

 - i) contribution to provident fund or superannuation fund to the extent these are whether singly or put together not taxable under the Income Tax Act, 1961;
 - ii) gratuity payable at a rate not exceeding half month's salary for each completed year of services; and
 - iii) encashment of leave at the end of the tenure.
 - (b) Mr. Khaitan shall also be entitled to earn/privilege leave on full pay and allowances as per rules of the Company but not exceeding one month's leave for every eleven months service under the Company provided that leave accumulated but not availed of will be allowed to be encashed in accordance with the rules of the Company.
2. Mr. Sunil Khaitan shall not so long as he functions as the Chairman & Managing Director of the Company be entitled to receive any fee for attending any of the Board or a Committee thereof.
3. The appointment of Chairman & Managing Director may be terminated by either party to the Agreement by giving to the other three months notice in writing in which event Mr. Sunil Khaitan shall be entitled to receive his remuneration hereunder up to the expiration of such notice.

ANNEXURE TO THE NOTICE *(Contd.)*

4. In the event that the Company in any financial year during the aforesaid period, has no profits or its profits are inadequate, the remuneration payable to Mr. Sunil Khaitan shall not exceed the limits specified in Section II of Part II of Schedule V to the Act or any modification(s) or re-enactment thereof as minimum remuneration, subject to such approvals as may be required.

Therefore, it is proposed to seek the member's approval for the re-appointment of and remuneration payable to Mr. Sunil Khaitan as Managing Director, in terms of applicable provisions of the Act.

This details of Mr. Sunil Khaitan seeking re-appointment at the ensuing AGM under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations and Secretarial Standard for General Meeting (SS- 2) is annexed to the Notice.

A copy of the draft letter of appointment and agreement referred to in the proposed Special Resolution is available for inspection through electronic mode basis on the request being sent at secretarial@shalimarwires.com .

Mr. Sunil Khaitan, being appointee, and his relatives may be deemed to be concerned or interested in the resolution to the extent of the remuneration payable to him. No other Directors / Key Managerial Personnel of the Company / their relatives in any way are concerned or interested "financially or otherwise" in the proposed resolution.

The Board of directors recommend passing of the proposed Special Resolution as set out at Item No. 3 of the notice. The information as required to be disclosed under paragraph (iv) of the second proviso of Paragraph B of Section II of Part II of Schedule V to the Companies Act, 2013 is given in the Annexure to the Notice in regard of Mr. Sunil Khaitan.

Item No. 4

The Nomination and Remuneration Committee in their meeting held on 3rd February, 2020 and Board of Directors in their meeting held on 11th February, 2020 appointed Mrs. Trishna Guha as an Additional (Independent) Director of the Company with effect from 11th February, 2020 in terms of the Articles of Association of the Company read with Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Trishna Guha will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provision of Section 160 of the Companies Act, 2013 from a member along with requisite deposit proposing the candidature of Mrs. Trishna Guha for the office of a Director not liable to retire by rotation.

The Board considers that her wide range of experience in banking and financial sector would be of immense benefit to the Company. Accordingly, the Board recommends her appointment as a Director of the Company, who shall not be liable to retire by rotation.

The Company has received from Mrs. Trishna Guha intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under Section 164 (2) of the Companies Act, 2013.

This details of Mrs. Trishna Guha seeking appointment at the ensuing AGM under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations and Secretarial Standard for General Meeting (SS- 2) is annexed to the Notice.

Save and except Mrs. Trishna Guha, no Director and Key Managerial Personnel of the Company or their relatives financially or otherwise concerned or interested in the resolution as set out in Item No. 4 of the notice.

ANNEXURE TO THE NOTICE *(Contd.)*

The Board recommends the adoption of the resolution.

Item No. 5

The Board, on recommendation of Audit Committee, has approved appointment of M/s. Mitra Bose & Associates, Cost Accountants (Registration No.000037) as cost auditor of the Company, for a remuneration of Rs. 50,000/- plus Goods and Service Tax (GST) as applicable, to conduct the audit of the cost accounting records of the Company for the financial year ending on 31st March, 2021.

In accordance with the provisions of section 148 of the Companies Act read with Companies (Audit and Auditors) Rules 2014 (as amended), consent of the members is sought for ratification of the remuneration payable to the Cost Auditors of the Company.

None of the Directors and the Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

ANNEXURE TO THE NOTICE (Contd.)

Particulars of the Directors being proposed for appointment/re-appointment at the ensuing Annual General Meeting pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 Secretarial Standard on General Meetings:

Name of Directors	Mr. Sunil Khaitan	Mrs. Trishna Guha
Date of Birth	22.05.1959	21.08.1957
Date of first appointment by the Board/ Reappointment	12.09.2000	11.02.2020
Qualification	B. Com	M.Sc.(Physics), Post Graduate Diploma in Computer Science.
Expertise in specific functional area	More than 39 years experience in the Industry having expertise in manufacture of Synthetic Wire Cloth and other products which are manufactured by the Company and overall responsible for the operation of Company.	More than 30 years experience in banking sector in various functional areas and promoted to Board level in Dena Bank as Executive Director from 4 th August, 2013 till 31 st August, 2017.
Termes & conditions of appointment /re-appointment	As per Explanatory Statement	N.A.
Details of remuneration sought to be paid	As per Explanatory Statement	N.A.
The remuneration last drawn (including PF contribution)	Rs. 84.76 Lakhs p.a.	N.A.
Directorships held in other Public/ Listed companies (excluding foreign and private companies)	NIL	Metropolitan Stock Exchange of India Ltd.
Chairman/member of the Committees across Public Companies	NIL	Member of Audit Committee and Nomination and Remuneration Committee in Metropolitan Stock Exchange of India Ltd.
Shareholdings in the Company	274662	NIL
Relationship with other Directors, inter-se and Key Managerial Personnel of the company,	NIL	NIL
Number of Meetings of the Board attended during the year	4	1

Place: Kolkata
3rd September, 2020

By Order of the Board
Shalimar Wires Industries Limited

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

S.K. Kejriwal
Company Secretary
Membership No. ACS 10031

ANNEXURE TO THE NOTICE (Contd.)

Statement pursuant to the requirement Paragraph IV of Second Proviso of Clause (B), Section II, Part-II, of Schedule V of the Companies Act, 2013 for Remuneration proposed to be paid to Mr. Sunil Khaitan, Chairman and Managing Director

GENERAL INFORMATION :
1) Nature of Industry

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

2) Date or expected date of commencement of commercial production

Not applicable

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

Not Applicable

4) Financial performance based on given indicators

Particulars	2019-20	2018-19
	(Rs. In lacs)	(Rs. In lacs)
Revenue from Operations (Net)	11099.48	11534.55
Other Income	705.16	333.78
Total Revenue	11804.64	11868.33
Less : Total Expenses	10101.42	10995.20
Profit before Finance Cost and Depreciation	1703.22	873.13
Less : Finance Cost	1172.82	881.31
Depreciation and Amortization Expense	864.22	504.81
Profit before exceptional/extra-ordinary items	(333.78)	(512.99)
Add : Exceptional Items	--	--
Profit before Tax	(333.78)	(512.99)
Add : Deferred Tax	--	--
Profit for the year from continuing operation	(333.78)	(512.99)
Profit/(Loss) from discontinuing operation	--	--
Other comprehensive income	32.82	(21.24)
Profit for the year	(300.96)	(534.23)

5) Foreign investments or collaboration, if any.

The Company does not have any foreign collaborations

INFORMATION ABOUT THE MANAGING DIRECTOR
1) Background details

A commerce graduate with more than 39 years experience in the industry and overall incharge for operation of the Company.

2) Past remuneration

His remuneration for the last 3 years i.e. 2017-18, 2018-19 and 2019-20 was Rs. 44.61 lacs, 60.93 lacs and 84.76 lacs per annum respectively.

ANNEXURE TO THE NOTICE *(Contd.)***3) Recognition of awards**

NIL

4) Job profile and his suitability

Responsible for the overall affairs of the Company.

5) Remuneration proposed

As given in the Explanatory Statement.

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

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

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

In addition to the remuneration and perquisites detailed above, Mr. Sunil Khaitan holds 274662 equity shares in the Company. Apart from that, there is no pecuniary relationship directly or indirectly with the company of the person to be appointed. No ESOP has been issued to him.

Other Information:**1) Reason of loss or inadequate profits**

The main reason for losses/inadequate profit in the company is mainly due to high borrowing cost, increased cost of production, lower sales realization etc.

2) Steps taken or proposed to be taken for improvement

- The Company has already sold/in the process of selling its idle assets so that sale proceeds are utilised for settling the dues of secured creditors.
- The Company is concentrating on Uttarpara Unit and already undertaken modernization and diversification project.
- The Company has already settled with its old secured creditors as one time settlement of their dues.

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

Although the market conditions and general business sentiments have improved in recent past, the productivity and profitability cannot be quantified in measurable terms due to uncertainties involved.

Disclosures:

The following disclosures have been mentioned in the Board of Director's report under the heading "Corporate Governance", attached to the annual report:-

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

ANNEXURE TO THE NOTICE *(Contd.)*

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

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

Not Applicable

- iii) Service contracts, notice period, severance fees.

As given in the Explanatory Statement

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

NIL

Place: Kolkata
3rd September, 2020

By Order of the Board
Shalimar Wires Industries Limited

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

S.K. Kejriwal
Company Secretary
Membership No. ACS 10031

DIRECTOR'S REPORT

To the Members

Your Directors have pleasure in presenting the 24th Annual Report on the working of the Company together with the audited accounts for the financial year ended 31st March, 2020.

FINANCIAL RESULTS

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

Particulars	2019-20	2018-19
	(Rs. In lacs)	(Rs. In lacs)
Revenue from Operations (Net)	11099.48	11534.55
Other Income	705.16	333.78
Total Revenue	11804.64	11868.33
Less : Total Expenses	10101.42	10995.20
Profit before Finance Cost and Depreciation	1703.22	873.13
Less : Finance Cost	1172.82	881.31
Depreciation and Amortization Expense	864.22	504.81
Profit before exceptional/extra-ordinary items	(333.78)	(512.99)
Add : Exceptional Items	--	--
Profit before Tax	(333.78)	(512.99)
Add : Deferred Tax		--
Profit for the year from continuing operation	(333.78)	(512.99)
Profit/(Loss) from discontinuing operation		--
Other comprehensive income	32.82	(21.24)
Profit for the year	(300.96)	(534.23)

OPERATIONAL REVIEW

During the year under review, total revenue of the company was almost equal i.e. Rs. 11804.64 lacs as compared to Rs.11868.33 lacs in the previous year although the manufacturing units were shut down from 23rd March, 2020 in view of the nationwide lockdown declared by Govt. of India to prevent the outbreak of COVID 19 in India, resulting estimated loss of revenue of Rs. 800 lacs and operating loss of Rs. 250 lacs during the year under review. The operating surplus (profit before finance cost and depreciation) of the Company was Rs. 1703.22 lacs as compared to Rs.873.13 lacs (after charging Rs. 698.42 lacs towards the liability of custom duly on account of earlier years for non-fulfilment of export obligation of its closed unit at Nasik) in the previous year. Total loss during the year is Rs. 300.96 lacs as against total loss of Rs. 534.23 lacs in the previous year.

MSME REGISTRATION

As per new guidelines issued by Govt. of India, the Company has been granted registration under MSME vide registration no. UDYAM-WB-10-0000193 dated 6th July, 2020.

COVID -19 PANDEMIC

In view of the nationwide lockdown declared by Government of India due to the COVID-19 pandemic, the manufacturing operations of the Company in its Uttarpara unit in West Bengal and Nasik unit in Maharashtra had been suspended temporarily in compliance with the directives/orders issued by the Government. The Company has made detailed assessments of the recoverability and carrying values of its assets comprising property, plant and equipments, inventories, receivables and other current assets as at the balance sheet date and on the basis of evaluation, has

DIRECTOR'S REPORT *(Contd.)*

concluded that no material adjustments are required in the standalone financial results. The Company is taking all the necessary steps and precautionary measures to ensure smooth functioning of its operations and to ensure the safety and well-being of all its employees. Given the criticalities associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required. Subsequent to year end, Company's both manufacturing units have resumed operations under the guidelines and directives issued by the government from time to time.

DIVIDEND

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

RESERVES

During the financial year under review, in view of loss, the Company has not transferred any amount to General Reserve.

EXPORT

The Company's export turnover was Rs. 2092.75 lacs during the year under review, as compared to Rs. 2267.90 lacs in the previous year.

DEPOSITS

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

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 for the Company. The Company has already started commercial production in two imported Looms and has also added two imported seaming machines, one Stretching Machine and other equipments in its manufacturing facility at Uttarpara unit in West Bengal. 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.

OUTSTANDING DEBENTURE HOLDERS DUES AND TRANSFER OF SAME 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 debenture holders under public category as and when claims have been received by the Company from them. However on repeal of SICA Act and dissolution of BIFR by Govt. of India, the Company has been advised to transfer the unclaimed debentures along with accrued interest to Investors Education and Protection Fund pursuant to Section 125 of the Companies Act, 2013 and other applicable provisions. Accordingly, the Board has decided to initiate all necessary action subject to availability of finance at the earliest including issuance of notice to debenture holders, release of advertisement in terms of provisions of Section 125 of the Companies Act, 2013 and other applicable provisions and same are being followed presently.

DIRECTORS

Ms Surabhi Sanganeria (DIN 06987772) resigned from Board of Directors of the Company on 12th November, 2019 due to her ill health and limitations arising out of same. Ms Sanganeria has confirmed that there are no other reasons attributable/connected with the Company. The board placed on record its deep appreciation of valuable

DIRECTOR'S REPORT *(Contd.)*

contribution made by Ms Surabhi Sanganeria during her tenure as Director of the Company.

The Board appointed Mrs. Trishna Guha (DIN 08200779) as Additional Director on 11th February, 2020 who shall hold office up to the date of the ensuing Annual General Meeting. The company has received a notice as per the provisions of section 160(1) of the Companies Act, 2013 from a member proposing her appointment as a director. Based on her vast experience in financial and banking sector, the Board recommends the appointment of Mrs. Trishna Guha as an Independent Director who shall hold office for five consecutive years till 10th February, 2025.

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.

Mr. Sunil Khaitan has been re-appointed as Chairman and Managing Director of the Company by the Board for a period of 3 years w.e.f 1st April, 2020 in terms of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013, whose period of office shall be liable to retirement of directors by rotation.

Brief particulars of 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 recommends their 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

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI Listing Regulations, 2015 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI Listing Regulations, 2015 and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge their duties with an objective independent judgment and without any external influence. All the declarations were placed before the Board.

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.

AUDITORS' REPORT

The Auditors Report for the Financial Year 2019-20 does not contain any qualification, reservation and adverse remark. Further in terms of section 143 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended by notification/circulars issued by the Ministry of Corporate Affairs from time to time, no

DIRECTOR'S REPORT *(Contd.)*

fraud has been reported by the Auditor of the Company where they have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company.

COST AUDITORS

The Audit Committee in its meeting held on 30th July, 2020 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 2020-21 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 2020-21 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, Practicing Company Secretaries to undertake the Secretarial Audit of the company for the financial year 2020-21. The report of the Secretarial Audit is annexed herewith as **Annexure - III**. All the necessary measures has already been initiated by the Company as suggested by Secretarial Auditor in their report.

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 during the preceding 3 financial years 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.

DIRECTOR'S REPORT *(Contd.)***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 OF THE COMPANY WHICH OCCURRED BETWEEN THE END OF FINANCIAL YEAR AND DATE OF THE REPORT

The outbreak of novel coronavirus (COVID-19) in India has witnessed a sudden fall in operations across the nation. As per the Govt directives, both manufacturing units of the Company at Uttarpara in West Bengal and Nasik at Maharashtra were closed from 23rd March,2020. Uttarpara unit in West Bengal resumed partial operation from 18th May, 2020 based on the permission granted by Government of West Bengal strictly adhering to the social distancing norms and hygiene measures. Subsequently cyclone 'Amphan' hit West Bengal on 20th May, 2020 resulting closure of operation till end of May,2020. The dual effect of COVID-19 pandemic and cyclone have posed a major challenge on the business operation of the Company during the current financial year. Further since lockdown was extended by Government of Maharashtra from time to time, manufacturing operation in Nasik unit at Maharashtra could start only in June,2020. Due to aforesaid unavoidable and uncontrollable reasons, the Company is expecting sharp fall in both revenue as well as in its operating profit during the current financial year 2020-21.

SIGNIFICANT AND MATERIAL ORDERS

There are no material/significant orders passed by Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

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. The 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.

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.

DIRECTOR'S REPORT *(Contd.)***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, 2020 forming part of the extract of the annual return can be assessed at Company's website at www.shalimarwires.com and the weblink is http://shalimarwires.com/others/5f4e336fb597e_MGT-9.pdf

SHARE CAPITAL

The issued and subscribed capital of the company as on 31st March, 2020 is Rs. 855.10 lacs comprising of 4,27,55,123 equity shares of Rs. 2/- each and there is no change in share capital since last year.

NUMBER OF BOARD MEETINGS

The Board of Directors met four times during the year ended 31st March, 2020 (27th May, 2019, 12th August, 2019, 12th November, 2019 and 11th February, 2020). 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 and weblink is: http://www.shalimarwires.com/uploaded/54dee8640b2a6_POLICY_ON_RELATED_PARTY_TRANSACTIONS.pdf.

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. 37 to the financial statements for the year ended 31st March, 2020.

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 the Company including nature of industry in which your Company operates, 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.

DIRECTOR'S REPORT *(Contd.)*

The Programme is available for inspection at www.shalimarwires.com and weblink is http://shalimarwires.com/others/5f4e33fc612a0_FAMILIARISATION%20PROGRAMME.pdf

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 AND MANAGERIAL REMUNERATION

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 - IV** to this report. There was no employee who is in receipt of annual / monthly remuneration as prescribed under relevant provisions of the Act and the details of remuneration of top 10 employees' are available for 21 days before the Annual General Meeting and shall be made available to any shareholder through electronic mode on the request being sent at secretarial@shalimarwires.com, 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 Blower Policy.pdf](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.

DIRECTOR'S REPORT *(Contd.)*

- 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
3rd September, 2020

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 20 ml tons which is projected to boost to 28-30 ml tons by 2024-25. India is the greatest growing market for paper in the world with a growth rate of about 8% 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 20 ml tons to an estimated 28-30 ml tons by 2024-25 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.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)**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, 2020 was 421.

MANAGEMENT DISCUSSION AND ANALYSIS *(Contd.)***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

Annexure I

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 had 5 (five) Directors. Out of these five Directors, one is Promoter and Executive Director (Chairman and Managing Director), one is Nominee Director and three Non-Executive Independent Directors. Mrs. Trishna Guha is Non-Executive Independent Woman Director. Before her appointment, Mrs. Surabhi Sanganageria was the Non-Executive Independent Woman Director till 12th November, 2019. The composition of the Board is in conformity with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the financial year ended 31st March, 2020, 4 (four) Board Meetings were held on 27.05.2019, 12.08.2019, 12.11.2019 and 11.02.2020.

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, 2020 are given below:

Name of Director	Category	No. of Board Meetings Attended during the year	Whether last AGM attended	No. of other Directorship *1	No. of other Committee membership/ Chairmanship *2
Mr. Sunil Khaitan, (DIN-00385961) Chairman & Managing Director	Promoter and Executive Director	4	Yes	NIL	NIL
Mr. Dip Mitra (DIN – 08220267)	Nominee of ARCIL	4	Yes	NIL	NIL
Mr. Parmanand Tiwari (DIN – 00731341)	Non-executive Independent Director	3	Yes	NIL	NIL

CORPORATE GOVERNANCE REPORT (Contd.)

Name of Director	Category	No. of Board Meetings Attended during the year	Whether last AGM attended	No. of other Directorship *1	No. of other Committee membership/ Chairmanship *2
Dr. Rajiva (DIN – 05193258)	Non-executive Independent Director	4	No	NIL	NIL
Mr. Dipak Dasgupta* (DIN-01099414)	Non-executive Independent Director	1	N.A.	NIL	NIL
Ms. Surabhi Sanganeria** (DIN No. 06987772)	Non-executive Independent Director	0	No	2	2
Mrs. Trishna Guha*** (DIN No. 08200779)	Non-executive Independent Director	1	N. A	1	2

* Mr. Dipak Dasgupta has resigned from the Board as an Independent Director on 06.08.2019.

** Ms. Surabhi Sanganeria has resigned from the Board as an Independent Director on 12.11.2019.

*** Mrs. Trishna Guha was appointed as an Additional (Independent) Director w.e.f 11.02.2020.

*1 Excludes Directorship held in Private Limited Companies/ Section 8 Companies/ Foreign Companies as on 31st March, 2020

*2 Only covers Membership/ Chairmanship of Audit Committee, Stakeholders Relationship and Nomination and Remuneration Committee of other Public Limited /Listed Companies.

In Compliance with Regulation 25 of SEBI Listing Regulations, 2015, none of the Directors on the Board serve as an Independent Director of more than 7 (Seven) equity listed companies across all companies under which he/she is Director. None of the Directors on the Board serve as a Director in more than 8 (Eight) equity listed entities. The Director on the Board serving as a Whole time Director/Managing Director in a listed company is not serving as an Independent Director of more than 3 (Three) equity listed companies across all companies in which he is a Director. The Company does not have any alternate Director on its Board for any Independent Director in accordance with Regulation 25(1) of SEBI Listing Regulations, 2015. All the Directors have made necessary disclosures regarding directorship/committee positions occupied by them in other listed entities / public limited companies (Whether listed or not) in accordance with Regulation 25 and 26 of SEBI Listing Regulations, 2015. None of Directors other than Mrs Trishna Guha is director in other listed/public company. Mrs Trishna Guha is Public Interest director in Metropolitan Stock Exchange of India Ltd and also Member of Audit Committee and Nomination and Remuneration Committee in Metropolitan Stock Exchange of India Ltd

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.

CORPORATE GOVERNANCE REPORT (Contd.)**Number of shares and convertible instruments held by Non-Executive Directors:**

As on 31st March, 2020, 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/reappointed 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 Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence in terms of Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All requisite declarations were placed before the Board. Ms. Surabhi Sanganeria resigned from the Board of Directors of the Company w.e.f. 12th November, 2019 due to her health reason and on personal ground and have confirmed that there are no other material reason for her resignation.

Meeting of Independent Directors (IDs)

The meeting of the Independent Directors was held on 3rd February, 2020.

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 at www.shalimarwires.com. and weblink is http://shalimarwires.com/others/5f4e33fc612a0_FAMILIARISATION%20PROGRAMME.pdf

LIST OF CORE SKILLS/ EXPERTISE/ COMPETENCIES OF BOARD OF DIRECTORS

The list of core skills/expertise/competence identified by the Board of Directors as required in the context of its manufacturing operation for it to function smoothly and those actually available with the Board are as under:

Sl. No.	Area/Field	Name of the Director
1.	Manufacturing/marketing	Mr. Sunil Khaitan
2.	Finance and accounting principles	All Directors
3.	Governance and Legal Compliances	All Directors
4.	Business Strategy and Risk management	All Directors

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

CORPORATE GOVERNANCE REPORT *(Contd.)*

instances of non-compliance.

Code of Conduct for Directors & Senior Management

The Board had framed 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 Company's website at 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:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders Relationship Committee

A. Audit Committee

The role, 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.

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.
- Reviewing the compliances in regard to the provisions of regulation 9 and 9A of SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018 at least once in a Financial year and verify that the system of internal control are adequate and are operating effectively
- Carrying out other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Listing Regulations, 2015.

Composition of Audit Committee

The present composition of the Audit Committee comprises of four members, out of which three are Independent Directors and one is Nominee Director. During the financial year ended 31st March, 2020, the Audit Committee met four times on 27.05.2019, 12.08.2019, 12.11.2019 and 11.02.2020.

CORPORATE GOVERNANCE REPORT (Contd.)

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. Parmanand Tiwari	Chairman	Non-Executive Independent Director	3
2.	Mr. Dip Mitra	Member	Nominee Director	4
3.	Dr. Rajiva	Member	Non-Executive Independent Director	4
4.	Mrs. Trishna Guha*	Member	Non-Executive Independent Director	1
5.	Mr. Dipak Dasgupta**	Member	Non-Executive Independent Director	1
6.	Ms. Surabhi Sanganeria**	Member	Non-Executive Independent Director	0

* The Committee was reconstituted during the year and Mrs. Trishna Guha was appointed as Member of the Committee w.e.f. 11/02/2020.

** Mr. Dipak Dasgupta and Ms. Surabhi Sanganeria cease to be the members of the Committee upon resignation from the Board of Directors of the Company w.e.f. 06.08.2019 and 12.11.2019 respectively.

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. Parmanand Tiwari attended the last Annual General Meeting held on 21st September, 2019.

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.
- Other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013 Companies (Meetings of Board and its Powers) Rules, 2014 and under SEBI Listing Regulations, 2015

Nomination and Remuneration Committee shall also lay down a chart/matrix listing the core skills/ expertise/ competencies identified by the Board of Directors as required in the context of the company's business(es) and sectors for the Board to function effectively and those actually available with the Board

CORPORATE GOVERNANCE REPORT (Contd.)**Composition of the Committee**

The Nomination and Remuneration Committee comprises of four directors, consisting of three 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, 2020, one meeting of the Nomination and Remuneration Committee was held on 3rd February, 2020. The composition of the Committee is as under:

Sl. No	Name	Designation	Category	No. of meetings attended
1	Mr. Parmanand Tiwari	Chairman	Non-Executive Independent Director	1
2.	Mr. Dip Mitra	Member	Nominee Director	1
3.	Dr. Rajiva	Member	Non-Executive Independent Director	1
4.	Mrs. Trishna Guha*	Member	Non-Executive Independent Director	N.A
5.	Mr. Dipak Dasgupta**	Member	Non-Executive Independent Director	0
6.	Ms. Surabhi Sanganeria**	Member	Non-Executive Independent Director	0

* The Committee was reconstituted during the year and Mrs. Trishna Guha was appointed as Member of the Committee w.e.f. 11/02/2020.

** Mr. Dipak Dasgupta and Ms. Surabhi Sanganeria cease to be the members of the Committee upon resignation from the Board of Directors of the Company w.e.f. 06.08.2019 and 12.11.2019 respectively.

Remuneration Policy

- Remuneration to Executive Directors and Criteria for payment to 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 which has already expired on 31st March, 2020. The Board of Directors in its meeting held on 11th February, 2020, on the recommendation of Nomination and Remuneration Committee, have reappointed Mr. Sunil Khaitan as Chairman and Managing Director for a further period of three years w.e.f. 1st April, 2020 subject to approval of the shareholders of the company in the ensuing Annual General Meeting. 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.

CORPORATE GOVERNANCE REPORT (Contd.)

The Remuneration Policy has been placed on the website of the Company at www.shalimarwires.com under the weblink <http://www.shalimarwires.com/uploaded/5b71775bcd5efNomination%20&%20Remuneration%20Policy.pdf>

Remuneration to Directors

- 1) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the financial year 2019-2020.
- 2) The details of remuneration paid/payable to the Directors during the year ended on 31.03.2020 are given below:

Name	Salary (Rs.)	Perquisites & Allowances (Rs.)	Sitting fees (Rs.)	Total (Rs.)	Service Contract if any
Mr. Sunil Khaitan. (Chairman & Managing Director)	44,40,000/-	35,03,918	--	79,43,918/-	Yes
Mr. Dip Mitra (Nominee Director)	-	-	77,000/-	77,000/-	Nominee
Mr. Dipak Dasgupta	-	-	18,000/-	18,000/-	No
Mr. Parmanand Tiwari	-	-	64,000/-	64,000/-	No
Dr. Rajiva	-	-	82,000/-	82,000/-	No
Mrs. Trishna Guha	-	-	18,000/-	18,000/-	No
Total	44,40,000/-	35,03,918/-	2,59,000/-	82,02,918/-	

Perquisites excludes contribution to Provident Fund amounting to Rs. 5,32,800/-

- 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 benefits, fixed component and performance linked incentives based on the performance criteria severance fees are given to Directors. No service contracts were entered into with Directors.
- iii) There are no stock options offered to any Directors /employees 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
i) 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

CORPORATE GOVERNANCE REPORT (Contd.)

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 five directors, consisting of four independent directors and one nominee director. During the financial year ended 31st March, 2020, four meetings of the said Committee were held on 27.05.2019, 12.08.2019, 12.11.2019 and 11.02.2020 and the necessary quorum was present in all the meetings.

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

Sl. No	Name	Designation	Category	No. of meetings attended
1	Mr. Parmanand Tiwari	Chairman	Non-Executive Independent Director	3
2.	Mr. Dip Mitra	Member	Nominee Director	4
3.	Dr. Rajiva	Member	Non-Executive Independent Director	4
4.	Mrs. Trishna Guha*	Member	Non-Executive Independent Director	1
5.	Mr. Dipak Dasgupta**	Member	Non-Executive Independent Director	1
6.	Ms. Surabhi Sanganeria**	Member	Non-Executive Independent Director	0

* The Committee was reconstituted during the year and Mrs. Trishna Guha was appointed as Member of the Committee w.e.f 11/02/2020.

** Mr. Dipak Dasgupta and Ms. Surabhi Sanganeria cease to be the members of the Committee upon resignation from the Board of Directors of the Company w.e.f. 06.08.2019 and 12.11.2019 respectively.

ii) 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, 2015.

The terms of reference of Stakeholders Relationship Committee with effect from 1st April 2019 shall, inter-alia, include the following:

- The Committee shall specifically look into various aspects of interest and resolve the grievances of shareholder, debenture holder and other security holders.
- The committee shall resolve the grievances of the security holders of the listed entity including complaints

CORPORATE GOVERNANCE REPORT (Contd.)

related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- c) Review of measures taken for effective exercise of voting rights by shareholders.
- d) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- e) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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.

iii) Compliance Officer:

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

iv) Status of Investors' complaints:

The Company confirms that there were no share transfers lying pending as on 31.03.2020 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, 2019 to March, 2020: -

- | | | |
|--|---|-----|
| a) Number of Shareholders' complaints received during the year | : | Nil |
| b) Number of Shareholders' complaints resolved during the year | : | NA |
| c) Number of complaints not resolved to the satisfaction of shareholders | : | NA |
| d) 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.

CORPORATE GOVERNANCE REPORT (Contd.)**Composition**

Sl. No	Name	Designation	Category
1.	Mr. Sunil Khaitan	Chairman	Chairman and Managing Director
2.	Mr. Dip Mitra	Member	Nominee Director
3.	Mr. Parmanand Tiwari	Member	Independent Director
4.	Dr. Rajiva	Member	Independent Director
5.	Mrs. Trishna Guha	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. Parmanand Tiwari	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

CORPORATE GOVERNANCE REPORT (Contd.)**4. General Body Meetings**

The last three Annual General Meeting were held as under:

Financial Year	Date and Time	Venue	No. of Special Resolution
2018-2019	21 st September, 2019 10.00 A.M.	Bhartiya Bhasha Parishad	Revision in remuneration of Mr. Sunil Khaitan, Chairman & Managing Director.
2017-2018	29 th September, 2018 10.00 A.M.	Bhartiya Bhasha Parishad	Continuation of Mr. Dipak Dasgupta as Non-Executive Independent Director of the Company beyond 75 years of age in terms of section 149 & 152 of the Companies Act, 2013. Keeping registers, books of accounts and other shareholders' record at a place other than registered office of the Company in terms of section 94 of the Companies Act, 2013.
2016-2017	22 nd September, 2017 10.00 A.M.	Bhartiya Bhasha Parishad	Reappointment of Managing Director u/s 196, 197, 203 of the Companies Act, 2013.

During the year 2019-2020, 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 current financial year, 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. Materially Significant Related party transactions:**

All contracts/ arrangements/ transactions entered by the Company during the financial year with the related party were in ordinary course of business and on an arm's length basis. There were no materially significant related party transactions with related parties i.e. Promoters, Directors or the Management, their subsidiaries or relatives conflicting with the Company's interests, save and except as mentioned in the Schedule of Accounts.

Related Party transactions have been disclosed under Note No.37. to the accounts for year under review. A statement in summary form of transactions with related parties in the ordinary course of business is periodically placed before the Audit Committee for review and recommendation to the Board for their approval. Prior approval of Audit Committee is obtained for all Related Party Transactions except for the Related Party Transactions for which omnibus approval is granted by the Audit Committee from time to time. Every Related Party Transactions are subject to the prior approval of the Audit Committee in compliance with the conditions contained in Reg. 23(2) of the Listing Regulations.

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

CORPORATE GOVERNANCE REPORT (Contd.)**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 during the last three years except the penalty paid by the company to Bombay Stock Exchange for late submission of Annual Report for 23 days. The Company had received notices from BSE via email levying fine for delay compliance with Regulation 13(3), 17(1), 18(1), 19(1), 19(2), 20(2), 21(2), 27(2) and 31 in the month of June' 2020 due to lockdown in the country for pandemic COVID19 till 31st May,2020 for which the Company had replied with suitable explanations to BSE that BSE had issued notice due to oversight even after compliances by the company and certain compliances were not possible and delayed due to ACT of GOD.

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 behavior, 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 2019-2020, 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. Disclosure of commodity price risks and commodity hedging activities:

The Company does not have any commodity price risks and commodity hedging activities. Hence, the same is not applicable to the company as on 31st March, 2020.

viii. Details of tilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of SEBI (LODR) Regulations, 2015:

NA

CORPORATE GOVERNANCE REPORT (Contd.)**ix. CERTIFICATION REGARDING NON-DISQUALIFICATION OR NON-DEBARMENT OF DIRECTORS:**

The Company has obtained a certificate from Mr. Mohan Ram Goenka (Membership No. FCS 4515, Certificate of Practice No. 2551) certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the Company by Securities and Exchange Board of India (SEBI)/ Ministry of corporate Affairs (MCA) or any such Statutory Authority.

x. During the F.Y. 2019-2020, there have been no instances where the Board of Directors of the Company has not accepted the recommendation of the committee of the Board, wherever required.

xi. Total fees for all services paid by the Company and on a consolidated basis, to the statutory auditor and all entities in the network firm/entity of which the statutory auditor is a part:

Particulars	Fees (Amount in Rs.)
Audit Fees	2,75,000.00
Limited Review Fees	80,000.00
Tax Audit Fees	1,00,000.00
Certificate and Other Services	23,000.00
Total	4,78,000.00

xii. Disclosure of non-compliance of the requirement of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI Listing Regulations:

During the financial year 2019-2020, 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.

Disclosure of Compliance of the requirement of Corporate Governance Report

The company has fully complied with the Applicable requirements specified under regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (LODR) Regulation 2015. The disclosure of the said has being made in the section of this Corporate Governance Report.

xiii. Details of adoption of Mandatory and Non- Mandatory requirements pursuant to Regulation 27(1) of SEBI (LODR) Regulations, 2015:

a. Mandatory Requirements: The Company has been complying with the all the mandatory requirements as stipulated in Part E of Schedule II of the SEBI (LODR) Regulations, 2015.

b. Discretionary Requirements: The Chairman of the Company being an executive director, maintaining a chairman's office for non-executive chairman is not applicable. The Company did not send half yearly financial declaration of half yearly financial performance to each shareholder since financial results are available on the website of the Company for public information. The internal auditors have access directly to Audit Committee.

xiv. 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, 2020. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters are not applicable.

CORPORATE GOVERNANCE REPORT (Contd.)**xv. MSME REGISTRATION:**

As per new guidelines issued by Govt. of India, the Company has been granted registration under MSME vide registration no. UDYAM-WB-10-0000193 dated 6th July, 2020

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 Harassment:

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_on_Sexual_Harassment.pdf

The number of complaints received during the financial year 2019-2020 along with their status of redressal as on financial year ended 31st March, 2020 are as under:

Number of complaints filed during the year	Nil
Number of complaints disposed off during the year	Nil
Number of complaints pending as on end of the financial year	Nil

8. RECONCILIATION OF SHARE CAPITAL AUDIT:

The Company Secretary in practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

9. 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.

10. Compliance Certificate by Statutory Auditor of the Company:

The Company has obtained a certificate from the Statutory Auditor of the Company 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.

CORPORATE GOVERNANCE REPORT (Contd.)
11. 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. During the current financial year, the annual reports are circulated to every shareholder of the Company by electronic means in view of the recent circular issued by MCA/SEBI.

The Company's financial results are displayed on the Company's website www.shalimarwires.com.

The Company has a separate e-mail Id secretarial@shalimarwires.com for investors to intimate their grievances, if any.

- ii) During the year 2019-20, the company has not made any presentations to institutional investors and analysts.

12. General Shareholders Information:

a) Annual General Meeting	
Date :	30 th September, 2020
Time :	11.00 A.M.
Venue :	Through Video Conferencing (VC) or other audio-visual means using the platform provided by CDSL, details of which is given in the Notice for AGM.
b) Financial Calendar (tentative) for the year 2020 – 2021	1 st Quarterly results on 3 rd September, 2020
	2 nd “ “ On or before 14 th Nov, 2020
	3 rd “ “ On or before 14 th Feb, 2021
	4 th “ “ On or before 15 th May, 2021
c) Dividend Payment date	The Company did not recommend any dividend during the year 2019-20
d) Book Closure Date	23 rd September, 2020 to 30 th September, 2020 (both days inclusive)
e) Listing of Equity shares on Stock Exchanges	<p>The Company's shares are listed on the Stock Exchanges at: -</p> <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 2020-2021 have been paid to Bombay Stock Exchange.</p> <p>The Board of Directors of the Company has approved voluntary delisting of its shares from the Calcutta Stock Exchange and necessary application has been submitted with them.</p> <p>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 2019 to March 2020 is given below. There was no trading in Calcutta stock exchange.

CORPORATE GOVERNANCE REPORT (Contd.)

	BOMBAY STOCK EXCHANGE LTD.				
	Month	High	Low	BSE Sensex	
				High	Low
	April, 2019	15.95	13.25	39487.45	38460.25
	May, 2019	14.99	11.30	40124.96	36956.10
	June, 2019	13.54	9.20	40312.07	38870.96
	July, 2019	11.17	8.24	40032.41	37128.26
	Aug, 2019	9.74	6.80	37807.55	36102.35
	Sept, 2019	8.82	7.40	39441.12	35987.80
	Oct, 2019	7.50	5.32	40392.22	37415.83
	Nov, 2019	6.00	5.15	41163.79	40014.23
	Dec, 2019	5.77	4.35	41809.96	40135.37
	Jan, 2020	5.15	4.11	42273.87	40476.55
	Feb, 2020	4.98	4.10	41709.30	38219.97
	Mar, 2020	4.23	3.28	39083.17	25638.90
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 2019-2020				
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 31 st March, 2020, 98.90% of the paid-up share capital of the Company representing 42284572 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, 2020.				

CORPORATE GOVERNANCE REPORT (Contd.)

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) Plant / 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, 2 nd Floor, Kolkata – 700 013 Tel.Nos : (033) 2234-9308/09/10 Fax No. : (033) 2211-6880 E-mail : kejrival@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 : mdpldc@yahoo.com
q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	None

For and on behalf of the Board of Directors

Place : Kolkata
Dated : 3rd September, 2020

Sunil Khaitan
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT (Contd.)**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, 2020.

Place : Kolkata

Dated : 3rd September, 2020

Sunil Khaitan

Chairman & Managing Director

APPENDIX**PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2020**

Category	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Promoters/Directors & their relatives including associate companies.	18	0.13	28064327	65.64
Financial Institutions/Insurance Companies/Mutual Funds & Bank	23	0.16	774820	1.81
Non-resident Indians/Overseas corporate bodies.	41	0.29	24172	0.06
Other bodies corporate	101	0.72	11861403	27.74
Indian Public	13847	98.70	2030401	4.75
Total	14030	100.00	42755123	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	13525	96.40	8,10,527	1.90
501-1000	223	1.59	1,83,859	0.43
1001-5000	209	1.49	4,79,273	1.12
5001-10000	26	0.19	1,81,740	0.42
10001 and above	47	0.33	4,10,99,724	96.13
Total	14030	100.00	4,27,55,123	100.00

CORPORATE GOVERNANCE REPORT (Contd.)**MR & Associates**

Company Secretaries

46, B. B. Ganguly Street, Kolkata-700012

Mobile No: 9831074332, Email: goenkamohan@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members,

Shalimar Wires Industries Limited

25, Ganesh Chandra Avenue,

Kolkata-700013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. **Shalimar Wires Industries Limited** having CIN L74140WB1996PLC081521 and having registered office at 25, Ganesh Chandra Avenue, Kolkata-700013 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Directors	DIN	Date of Appointment in Company
1.	SUNIL KUMAR KHAITAN	00385961	2000/09/12
2.	PARMANAND TIWARI	00731341	2018/08/13
3.	RAJIVA	05193258	2018/08/13
4.	TRISHNA GUHA	08200779	2020/02/11
5.	DIP MITRA	08220267	2018/08/02

MR & Associates

Further, during the Financial Year 2019-20, Mr. Dipak Dasgupta (DIN No. 01099414) and Ms. Surabhi Sangneria (DIN No. 06987772) resigned from the Board of Directors of the Company w.e.f. 06.08.2019 & 12.11.2019 respectively. Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MR & Associates**

Company Secretaries

M R Goenka

Partner

C P No.: 2551

FCS -4515

UDIN : F004515B000653119

PUIN.: P2003WB008000

Place: Kolkata

Date : 02.09.2020

CORPORATE GOVERNANCE REPORT (Contd.)**INDEPENDENT AUDITOR 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, 2020 as stipulated in Regulations 17-27, Clause (b) to (i) of the Regulations 46(2) and paragraph C, D and E of Schedule-V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance as stated in first paragraph above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), and Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Service Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, Clause (b) to (i) of Regulation 46 (2) and paragraph C, D and E of Schedule-V of the SEBI Listing Regulations, as applicable during the year ended 31st March, 2020.

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

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

Place: Kolkata
Date: 3rd September, 2020

For **Khandelwal Ray & Co**
Chartered Accountants
Firm Regn.No-302035E
CA. S. Khandelwal
Partner
Membership No.054451

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	<ol style="list-style-type: none"> 1. We have made in depth study of our equipments and tried to find out the equipments which actually lead to decrease of "Power Factor" and consequently repositioned our APFC panels in our Power Distribution Network which significantly increases our power factor consistently over a period of time and results in substantial reduction in the power loss and increase in the available rebate on power cost. 2. All of the conventional lightings in the plant have been replaced by energy saving LED lights. 3. Regular maintenance of Process Electrical Heaters and timely changing of faulty heating elements and maintaining the heater insulations considerably reduces the heat loss which is a primary cause of loss of electrical energy. 4. The planned overhauling of existing cooling towers and other equipments of Centralized Air conditioning Plant have considerably increased the heat transferring rate of the system which significantly reduces the energy required per ton of the air conditioning capacity.
(ii) The steps taken by the Company for utilizing alternate sources of energy	Nil
(iii) The capital investment on energy conservation equipments	Rs 14.40 lacs

CORPORATE GOVERNANCE REPORT (Contd.)**B. Technology Absorption**

(i) The efforts made towards technology absorption	<p>a) Synthetic</p> <p>i) Two new looms are put into operation.</p> <p>ii) One seaming machine (SC5) is in operation for Forming Fabric and another(PSS5) for Dryer Fabric.</p> <p>iii) Woven Dryer Screen new design trial is going on.</p> <p>iv) SSB coarser variety has been developed and sent to market and positive feedback is received.</p> <p>v) Rack system is installed to keep Cannisters and to save space.</p> <p>vi) One modified heat setting cum finishing table is in installation stage to facilitate Dryer Fabric production.</p>
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	<p>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.</p> <p>ii) After introducing 2 more looms in synthetic weaving, the productivity & quality of fabric produced will improve simultaneously.</p> <p>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.</p> <p>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.</p>
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	<p>Dryer seaming by Auto seaming.</p> <p>2019</p> <p>Yes</p>
<p>a) the details of technology imported</p> <p>b) the year of import</p> <p>c) whether the technology been fully absorbed</p> <p>d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof and</p>	
(iv) the expenditure incurred on research and development	Rs 10.32 lacs

C. Foreign exchange earnings and outgo :

- (i) Foreign exchange earned in terms of actual inflow : Rs 2092.75 lacs
- (ii) Foreign exchange outgo in terms of actual outflow :Rs 4624.63 lacs

MR & Associates

Company Secretaries

46, B. B. Ganguly Street, Kolkata-700012

Tel No. : 033 2237 9517, Email :goenkamohan@gmail.com

Form No. MR - 3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

[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, 2020 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, 2020, 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;

CORPORATE GOVERNANCE REPORT *(Contd.)*

- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016; 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;

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, 2018;
- (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 having regard to the compliance system prevailing in the Company, we have relied upon the representation made by the Management, for compliance with the applicable laws like:

- (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 as issued and mandated by the Institute of Company Secretaries of India;
- (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, except the followings:-

- (i) The Company is in the process of transferring the unclaimed debentures and accrued interest to Investors Education and Protection Fund.
- (ii) The Company is in the process of filing Form MGT 14 u/s 179 for approval of Board Report for Financial Year ended 31.03.2019.
- (iii) The Company had made few delayed intimations under Regulation 30 (read with Schedule III) & 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iv) The Company had received notice from BSE via email dated 15.10.2019 for late submission of Annual Report for the Financial Year ended 31.03.2019 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for which requisite fine had been paid by the Company.

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. There were changes in the composition of the Board of Directors during the Year under review.

CORPORATE GOVERNANCE REPORT (Contd.)

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, as stated by the Company, the disclosure of related party transactions under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not required as there being no such major transactions. The Company had also received notices from BSE via email levying fine for delay in compliance with Regulation 13(3), 17(1), 18(1), 19(1), 19(2), 20(2), 21(2), 27(2) and 31 in the month of June' 2020 for which the Company had replied with suitable explanations to the Stock Exchanges for delay due to COVID 19 pandemic situation and the matter is pending to resolve. Furthermore, due to the impact to pandemic situation caused by COVID-19, the disclosure under Regulation 31(4) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Reg. 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SEBI circular - SEBI/HO/CFD/CMD1/CIR/P/2020/84 May 20, 2020 had been intimated to Stock Exchange on 24.07.2020.

Although the Trading window is closed for designated employees and their closed relatives from the beginning of each quarter till 48 hours from the date of declaration of financial results, It is advisable that the Company shall inform stock exchanges about closure of Trading Windows from the beginning of each quarter pursuant to Schedule B (point 4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended.

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

Sneha Khaitan

Partner

C P No.: 14929

UDIN :A034458B000653626

PUIN.:P2003WB008000

Place: Kolkata

Date : 03.09.2020

Note : The COVID-19 outbreak was declared as a global pandemic by the World Health Organization. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. Due to COVID-19 pandemic impact, the documents were obtained through electronic mode and verified with requirements. It is further stated that due to the pandemic situation cause by COVID-19, few intimations made to Stock Exchanges other than those reported above, under relevant SEBI Regulations and compliances under the Companies Act 2013 read with relevant rules were within the extended period and relaxations granted by respective regulatory authorities.

CORPORATE GOVERNANCE REPORT (Contd.)**“ANNEXURE – A”****(TO THE SECRETARIAL AUDIT REPORT OF SHALIMAR WIRES INDUSTRIES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020)**

To,
The Members
SHALIMAR WIRES INDUSTRIES LIMITED
25, Ganesh Chandra Avenue,
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
Sneha Khaitan

Partner

C P No.: 14929

UDIN :A034458B000653626

PUIN.:P2003WB008000

Place: Kolkata
Date : 03.09.2020

DIRECTOR'S REPORT (Contd.)

ANNEXURE – IV

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	1:33
(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	3.16%
	Mr. S.K. Kejriwal, Company Secretary	4.35%
(iii)	The percentage increase in the median remuneration of employees in the financial year :	3.15%
(iv)	The number of permanent employees on the rolls of company : (as on 31st March, 2020)	421
(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 3.15% in respect of all the employees including managerial personnel and there are no exceptional circumstances for increase in managerial remuneration.	
(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 AUDITOR'S REPORT

TO THE MEMBERS OF SHALIMAR WIRES INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Shalimar Wire Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020 and loss for the year, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No. 41 to the standalone financial statements which explain the pandemic COVID-19 spread that has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. One such challenge being inability for the Company to conduct a physical verification of inventories for the year-end 31st March, 2020 due to Government having imposed restrictions during the lockdown on account of health, travel and safety concerns.

The Company's management, however, conducted physical verification of inventories on dates other than the date of financial statements and has made available the documents in confirmation thereof. Inventories, being material to the financial statements/results of the Company, the Standard on Auditing (SA) 501, *Audit Evidence - Specific Considerations for Selected items*, cast a duty on us to obtain sufficient appropriate audit evidence regarding the existence and condition of inventories.

We have performed alternate audit procedures based on documents and other information made available to us, to audit the existence of inventories as per the Guidance provided by the Standard on Auditing (SA) 501, *Audit Evidence - Specific Considerations for Selected items*, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these standalone financial results.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

these matters.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders Information, but does not include the Standalone Financial Statements and our Auditor's Report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

INDEPENDENT AUDITOR'S REPORT (Contd.)

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ❑ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ❑ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❑ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❑ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

- 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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

INDEPENDENT AUDITOR'S REPORT (Contd.)

- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement Cash Flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure – B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with 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. 31.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there was any material foreseeable loss.
 - iii) Since the Sick Industrial Companies Act has been repealed by the Government of India, the exemption granted to the Company by the erstwhile BIFR from transferring any amount to the Investor Education and Protection Fund is no longer available and accordingly the Company is taking necessary steps for transferring the unclaimed amounts to Investor Education and Protection Fund.

For KHANDELWAL RAY & CO
Chartered Accountant
FR No. 302035E
CA.S. Khandelwal
Partner
(Membership No. 054451)

Place: Kolkata
Date: 30th July 2020

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our report to the members of Shalimar Wires Industries Limited for the year ended 31st March, 2020.

We report that:

(i)	<p>(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;</p> <p>(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;</p> <p>(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;</p>	<p>(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.</p> <p>(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.</p> <p>(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 are held in the name of the Company, subject to charges created in favour of the lenders of the Company.</p>
(ii)	<p>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;</p>	<p>(ii) The Inventories have been physically verified by the management at reasonable intervals during the year however year end inventory could not be completely verified due to reason stated Note No – 41. The discrepancies noticed on such physical verification, which were not material, have been properly dealt with in the books of account.</p>
(iii)	<p>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,</p> <p>(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;</p> <p>(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;</p> <p>(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;</p>	<p>(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.</p> <p>(a) Not applicable</p> <p>(b) Not applicable</p> <p>(c) Not applicable</p>
(iv)	<p>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.</p>	<p>(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.</p>
(v)	<p>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?</p>	<p>(v) The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act.</p>

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(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.																																												
(vii)	<p>(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>(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>(vii) (a) According to the records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Custom Duty, other statutory dues with appropriate authorities.</p> <p>As explained to us, the Company does not have any dues in respect of Wealth Tax, Service Tax and Cess.</p> <p>(b) The disputed statutory dues aggregating to Rs 493.83 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> <p>Central Excise Tax & Penalty</p> <table border="1" data-bbox="701 735 1254 1618"> <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> <tr> <td>Tax & Penalty</td> <td>31.92</td> <td>2000-01 to 2006-07</td> <td>The West Bengal Taxation Tribunal</td> </tr> <tr> <td>Tax & Penalty</td> <td>0.44</td> <td>2011-12 2012-13</td> <td>The West Bengal Commercial Taxes Appellate & Revision Board, Kolkata</td> </tr> <tr> <td>CST , Interest & Penalty</td> <td>244.59</td> <td>1995-96 to 2017-18</td> <td>The Sr. Joint Commissioner of Commercial Taxes</td> </tr> <tr> <td>VAT Interest & Penalty</td> <td>26.69</td> <td>2014-15</td> <td>The Sr. Joint Commissioner of Commercial Taxes</td> </tr> <tr> <td>Central Excise Tax & Penalty</td> <td>70.66</td> <td>1992, 1994, 1996, 2003 2004</td> <td>Commissioner (Appeals) Central Excise, Kolkata-IV</td> </tr> <tr> <td>Central Excise Tax & Penalty</td> <td>26.19</td> <td>2006 2009 2010, 2011 2012, 2013</td> <td>Commissioner (Appeals) Central Excise, Kolkata-IV</td> </tr> <tr> <td>Central Excise Tax & Penalty</td> <td>91.23</td> <td>2014 to 2016</td> <td>Commissioner (Appeals) Central Excise, Kolkata-IV</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	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	244.59	1995-96 to 2017-18	The Sr. Joint Commissioner of Commercial Taxes	VAT Interest & Penalty	26.69	2014-15	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	26.19	2006 2009 2010, 2011 2012, 2013	Commissioner (Appeals) Central Excise, Kolkata-IV	Central Excise Tax & Penalty	91.23	2014 to 2016	Commissioner (Appeals) Central Excise, Kolkata-IV
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																																											
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	244.59	1995-96 to 2017-18	The Sr. Joint Commissioner of Commercial Taxes																																											
VAT Interest & Penalty	26.69	2014-15	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	26.19	2006 2009 2010, 2011 2012, 2013	Commissioner (Appeals) Central Excise, Kolkata-IV																																											
Central Excise Tax & Penalty	91.23	2014 to 2016	Commissioner (Appeals) Central Excise, Kolkata-IV																																											

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(vii)	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 defaults in repayment of dues to Debenture Holders, which have been set out in Footnotes No (ii) of Note No 14 to Financial Statements.
(ix)	Whether moneys rose 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 rose has 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 Accountant

FR No. 302035E

CA.S. Khandelwal

Partner

(Membership No. 054451)

Place: Kolkata

Date: 30th July 2020

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S 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 2020 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.

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT *(Contd.)***Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

For KHANDELWAL RAY & CO

Chartered Accountant

FR No. 302035E

CA.S. Khandelwal

Partner

(Membership No. 054451)

Place: Kolkata

Date: 30th July 2020

BALANCE SHEET as at 31st March, 2020

₹ in lacs

SL NO	PARTICULARS	NOTE NO	BALANCE	
			AS AT 31.03.2020	AS AT 31.03.2019
A.	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	2	6,762.75	7,300.81
	(b) Capital Work-in-Progress	3	4,090.98	2,092.26
	(c) Other Intangible Assets	4	39.54	42.92
	(d) Financial Assets			
	(i) Investments	5	1.53	1.53
	(ii) Others Financial Assets		- 1.53	- 1.53
	(e) Other Non-Current Assets	6	654.84	725.27
	Total Non-Current Assets		11,549.65	10,162.79
2	Current assets			
	(a) Inventories	7	3,508.34	2,740.45
	(b) Financial Assets			
	(i) Trade receivables	8	2,880.00	3,017.36
	(ii) Cash and cash equivalents	9	228.19	275.99
	(iii) Bank Balances other than (iii) above	10	635.10	635.59
	(vi) Others Financial Assets		- 3,743.30	- 3,928.93
	(c) Other Current Assets	11	1,018.35	908.63
	Total Current Assets		8,269.99	7,578.01
	Total Assets		19,819.64	17,740.80
B.	EQUITY AND LIABILITIES			
I	Equity			
	(a) Equity Share capital	12	855.10	855.10
	(b) Other Equity	13	3,443.11	3,744.07
	Total Equity		4,298.22	4,599.18
II	LIABILITIES			
1	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	14	7,752.31	7,780.44
			7,752.31	7,780.44
	(b) Provisions	15	604.88	612.78
	(c) Other non-current liabilities	16	216.51	213.19
	Total Non-current liabilities		8,573.70	8,606.42
2	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	17	473.12	369.92
	(ii) Trade Payables	18	4,084.91	2,219.33
	(iii) Other Financial Liabilities	19	1,327.84	1,198.24
			5,885.87	3,787.50
	(b) Other current liabilities	20	895.03	595.58
	(c) Provisions	21	166.82	152.13
	Total Current liabilities		6,947.72	4,535.21
	Total Liabilities		15,521.42	13,141.62
	Total Equity and Liabilities		19,819.64	17,740.80

The accompanying notes 1 to 43 are an integral part of the financial statements.

As per our report of even date.

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

For and on behalf of Board of Directors

 CA. S. Khandelwal
 Partner
 Membership No.054451
 Kolkata
 Dated: 30th July,2020

 Sunil Khaitan
 Managing Director

 Parmanand Tiwari
 Director

 S.J.Sengupta
 President & CFO

 S.K.Kejriwal
 Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2020

₹ in lacs

SL NO	PARTICULARS	NOTE NO	FOR THE YEAR ENDED 31ST MARCH, 2020		FOR THE YEAR ENDED 31ST MARCH, 2019	
I.	Revenue from Operations	22		11,099.48		11,534.55
II.	Other Income	23		705.16		333.78
III.	Total Revenue (I + II)			11,804.64		11,868.33
IV.	Expenses:					
	Cost of Materials Consumed	24		3,611.35		3,511.89
	Purchases of Stock in Trade	25		545.04		-
	Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	26		(826.14)		31.40
	Excise Duty			-		-
	Employees Benefits	27		2,780.92		2,695.97
	Finance Cost	28		1,172.82		881.31
	Depreciation and Amortization	32	864.22		504.81	
				- 864.22		- 504.81
	Other Expenses	29		3,990.21		4,755.95
	Total Expenses			12,138.43		12,381.32
V.	Profit/(Loss) before exceptional item and tax.(III - IV)			(333.78)		(512.99)
VI.	Exceptional Items -Income/(expenditure)			-		-
VII.	Profit/(Loss) before tax (V - VI)			(333.78)		(512.99)
VIII.	Tax Expenses:					
	i) Current Tax			-		-
	ii) Deferred Tax			-		-
IX.	Profit (Loss) for the period from continuing operations (VII - VIII)			(333.78)		(512.99)
X.	Profit (Loss) for the period			(333.78)		(512.99)
XI.	Other Comprehensive Income	30				
	A. i) Items that will not be reclassified to profit or loss		32.82		(21.24)	
	ii) Income Tax relating to items that will not be reclassified to profit or loss		-	32.82	-	(21.24)
	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		-	32.82	-	(21.24)
XII.	Total Comprehensive Income for the period (X +XI)			(300.96)		(534.23)
XIII.	Earnings Per Equity Share:	42				
	i) Basic			(0.78)		(1.20)
	ii) Diluted			(0.78)		(1.20)
	Basis of preparation, measurement and significant accounting policies	1				
	Other Disclosures	31-43				

The accompanying notes 1 to 43 are an integral part of the financial statements.

As per our report of even date.

For KHANDELWAL RAY & CO
Chartered Accountants
FR NO.302035E

For and on behalf of Board of Directors

CA. S. Khandelwal
Partner
Membership No.054451
Kolkata
Dated: 30th July,2020

Sunil Khaitan
Managing Director

Parmanand Tiwari
Director

S.J.Sengupta
President & CFO

S.K.Kejriwal
Company Secretary

STATEMENT OF CHANGE IN EQUITY for the year ended 31st March, 2020

₹ in lacs

A. EQUITY SHARE CAPITAL

Sl. No	Particulars	Note No	Balance
II	Balance as at 31st March, 2019		855.10
	Change in Equity Share Capital during the year		-
	Change in Preference Share Capital during the year		-
III	Balance at the 31st March, 2020	12	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 31st March, 2019	287.63	3,434.24	(0.53)	22.72	3,744.07
	Profit/ (Loss) for the year		(333.78)	-	-	(333.78)
	Other Comprehensive Income for the year		-	-	32.82	32.82
	Total Comprehensive Income for the year	-	(333.78)	-	32.82	(300.96)
II	Balance as at 31st March, 2020	287.63	3,100.46	(0.53)	55.55	3,443.11

The accompanying notes 1 to 43 are an integral part of the financial statements.

As per our report of even date.

For KHANDELWAL RAY & CO
Chartered Accountants
FR NO.302035E

For and on behalf of Board of Directors

CA. S. Khandelwal
Partner
Membership No.054451
Kolkata
Dated: 30th July,2020

Sunil Khaitan
Managing Director

Parmanand Tiwari
Director

S.J.Sengupta
President & CFO

S.K.Kejriwal
Company Secretary

CASH FLOW STATEMENT for the year ended 31st March, 2020

₹ in lacs

PARTICULARS	FOR THE YEAR ENDED 31.03.2020	FOR THE YEAR ENDED 31.03.2019
A. Cash Flow from Operating Activities :		
Net Profit (Loss) before Tax	(333.78)	(512.99)
Adjustments For :		
Depreciation and amortisation expense	864.22	504.81
(Profit) / Loss on Sale / Discard of Tangible Fixed Assets	(254.11)	4.99
Exceptional Items	-	-
Interest Income	(41.16)	(111.85)
Fair value gain/(loss) on Investments	-	-
Finance Cost	1,172.82	881.31
Sundry Balances Written Off	2.89	11.48
Provision for Doubtful Debt	-	-
Debts and advances written off	36.82	-
Operating Profit before Working Capital Changes	1,447.70	777.75
Adjustments For:		
Increase/(Decrease) in Other Non Current Financial Liabilities	-	(43.43)
Increase/(Decrease) in Other Non Current Liabilities	3.32	(3.45)
Increase/(Decrease) in Non Current Provisions	24.92	(45.74)
Increase/(Decrease) in Current Provisions	14.68	54.35
Increase/(Decrease) in Trade Payables	1,865.58	674.26
Increase/(Decrease) in Other Current Financial Liabilities	129.60	220.67
Increase/(Decrease) in Other Current Liabilities	299.45	36.64
Decrease/(Increase) in Non-Current Investment	-	-
Decrease/(Increase) in Non Current Assets	-	-
Decrease/(Increase) in Other Non-Current Assets	68.11	421.08
Decrease/(Increase) in Inventories	(767.89)	(244.45)
Decrease/(Increase) in Trade Receivables	100.53	264.79
Decrease/(Increase) in Current Assets	-	-
Decrease/(Increase) in Other Current Financial Assets	-	-
Decrease/(Increase) in Other Current Assets	(109.72)	(590.78)
Cash Generated from / (used in) Operating Activities	3,076.28	1,521.70
Tax Expense	(0.57)	41.48
Net Cash Flow from/(used in) Operating Activities (A)	3,075.71	1,563.18

CASH FLOW STATEMENT for the year ended 31st March, 2020

₹ in lacs

PARTICULARS	FOR THE YEAR ENDED 31.03.2020	FOR THE YEAR ENDED 31.03.2019
B. Cash Flow from Investing Activities :		
Interest Income	41.16	111.85
Addition to Tangible Fixed Assets	(2,893.84)	(4,667.96)
Addition to Intangible Fixed Assets	(10.61)	(3.35)
Sale of Tangible Fixed Assets	837.06	5.34
Net Cash flow from/(used in) Investing activities (B)	(2,026.24)	(4,554.11)
C. Cash Flow from Financing Activities :		
Proceeds from Equity Shares	-	-
Proceeds from Long term Borrowings	(28.13)	1,252.68
Proceeds from Short term Borrowings	103.20	253.89
Exceptional Items	-	-
Interest Expense	(1,172.82)	(881.31)
Net Cash Flow from Financing Activities (C)	(1,097.75)	625.26
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(48.28)	(2,365.67)
Closing Balance of Cash & cash Equivalents	863.30	911.58
Opening Balance of Cash & cash Equivalents	911.58	3,277.25
Net Increase / (Decrease) in Cash & Cash Equivalents	(48.28)	(2,365.67)

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.9, 10 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 43 are an integral part of the financial statements.

As per our report of even date.

For KHANDELWAL RAY & CO
Chartered Accountants
FR NO.302035E

For and on behalf of Board of Directors

CA. S. Khandelwal
Partner
Membership No.054451
Kolkata
Dated: 30th July,2020

Sunil Khaitan
Managing Director

Parmanand Tiwari
Director

S.J.Sengupta
President & CFO

S.K.Kejriwal
Company Secretary

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020**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.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently presented in the financial statements. 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, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 27th May, 2019.

(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-40
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Note-31.and
- (c) Recognition of deferred tax assets

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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

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.

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'. As per consistent practice, qualitative deterioration of old stocks are recognised by way of value reduction of such items.

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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 *(Contd.)*

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. 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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 *(Contd.)*

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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

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.

Effective from 1 April, 2018 the Company has adopted Ind AS 115 **“Revenue from Contracts with Customers”**.

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.

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 year end rate and the rate on the date of the contract is recognized as exchange difference. The premium or discount on forward exchange contracts is recognized over the period of the respective contract.

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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

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 FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

A. NON-CURRENT ASSETS

2. Property, Plant & Equipments

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				IMPAIRMENT			NET BLOCK		
	Balance as at 01.04.2019	Addition	Disposals/ Adjustment	Balance as at 31.03.2020	Balance as at 01.04.2019	For the Year	Disposals	Balance as at 31.03.2020	Balance as at 01.04.2019	Reversed during the Year	Provided during the year	Balance as at 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
LAND														
Freehold	7.18	-	-	7.18	-	-	-	-	-	-	-	-	7.18	7.18
Leasehold	9.06	-	-	9.06	3.27	0.11	-	3.37	-	-	-	-	5.69	5.79
BUILDING	2,178.15	559.94	535.93	2,202.16	714.13	62.15	1.58	774.70	-	-	-	-	1,427.47	1,464.02
Leasehold	49.26	-	-	49.26	18.62	0.69	-	19.31	-	-	-	-	29.95	30.64
PLANT AND EQUIPMENTS	16,486.38	238.36	309.72	16,415.01	10,954.57	727.74	261.42	11,420.90	-	-	-	-	4,994.12	5,531.81
FURNITURE AND FIXTURES	476.83	35.85	-	512.68	361.78	16.83	-	378.61	-	-	-	-	134.07	115.05
VEHICLES	156.40	35.67	5.92	186.15	78.20	17.68	5.62	90.26	-	-	-	-	95.89	78.20
OFFICE EQUIPMENTS	101.72	18.96	-	120.68	74.73	9.66	-	84.39	-	-	-	-	36.29	26.99
OTHERS														
Computers	375.44	6.34	-	381.79	334.31	15.37	-	349.68	-	-	-	-	32.10	41.13
TOTAL	19,840.41	895.12	851.57	19,883.96	12,539.61	850.23	268.63	13,121.21	-	-	-	-	6,762.75	7,300.81
PREVIOUS YEAR	16,603.27	3,272.30	35.16	19,840.41	12,073.16	491.28	24.83	12,539.61	-	-	-	-	7,300.81	

Note: 2. Fixed Assets include assets taken on hire purchase system after 01.04.2012 Vehicles Gross Block ₹ 119.77 lacs (Previous Year ₹ 105.07 lacs) and Net Block ₹ 62.44 lacs (Previous Year ₹ 61.84 lacs).

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	Min.HP	Present	Min.HP	Present
	Payment	Value	Payment	Value
a) Not later than one year	16.21	19.39	12.24	12.02
b) Later than one year and not later than five years	-	27.88	-	21.30
c) Later than five years	-	-	-	-

3. Capital Work in progress

Description	Balance as at 01.04.2019	Addition during the year	Deduction during the year	Balance as at 31.03.2020
Capital Work in progress Plant & Machinery	2,092.26	2,100.19	101.47	4,090.98
Total	2,092.26	2,100.19	101.47	4,090.98

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

4. Other Intangible Assets

DESCRIPTION OF ASSETS	GROSS BLOCK			AMORTISATION				IMPAIRMENT			NET BLOCK			
	Balance as at 01.04.2019	Addition	Disposals	Balance as at 31.03.2020	Balance as at 01.04.2019	For the Year	Disposals	Balance as at 31.03.2020	Balance as at 01.04.2019	Reversed during the Year	Provided during the year	Balance as at 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
COMPUTER SOFTWARE														
-Acquired	114.65	10.61	-	125.26	71.74	13.99	-	85.72	-	-	-	-	39.54	42.92
PATENTS														
-Acquired	20.30	-	-	20.30	20.30	-	-	20.30	-	-	-	-	-	-
TECHNICAL KNOWHOW														
-Acquired	215.21	-	-	215.21	215.21	-	-	215.21	-	-	-	-	-	-
TOTAL	350.17	10.61	-	360.78	307.25	13.99	-	321.23	-	-	-	-	39.54	42.92
PREVIOUS YEAR	346.82	3.35	-	350.17	293.71	13.53	-	307.25	-	-	-	-	42.92	

A. NON-CURRENT ASSETS		As at 31st March, 2020		As at 31st March, 2019	
5	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 ₹10/-each. (Including 10,155 Equity Shares received as Bonus in earlier years)	26.52		26.52	
	ii) Pamwi Tissues Ltd 260,130 Equity Shares of ₹10/- each.	13.28		13.28	
	iii) Sumangala Investment Co. Ltd 4,200 Equity Shares of ₹10/- each.	0.42		0.42	
			40.23		40.23
	Un-Quoted Fully Paid Up.				
	i) Shalimar Impel Ltd 1,000 Equity Shares of ₹10/- each.	0.10		0.10	
	ii) Satya Sons Services Ltd 2,000 Equity Shares of ₹10/- each.	0.20		0.20	
			0.30		0.30
				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
	e) Investments in Debentures or Bonds				
				-	-

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

A. NON-CURRENT ASSETS		As at 31st March,2020		As at 31st March,2019	
5	Investments				
	f) Investments in Mutual Funds		-		-
	g) Investments in Partnership Firms		-		-
	h) Other Non-Current Investment		-		-
			40.66		40.66
	Less: Amount of Impairment in value of Investments		39.13		39.13
	Total		1.53		1.53

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.

	As at 31st March,2020		As at 31st March,2019	
Aggregate Value of Quoted Investments		40.23		40.23
Market Value of Quoted Investments		1.40		1.40
Aggregate Value of Un-Quoted Investments		0.43		0.43
Aggregate Amount of Impairment in value of Investments		39.13		39.13

6 Other Non-Current Assets		As at 31st March,2020		As at 31st March,2019	
a) Capital Advance			185.45		298.89
b) Advances Other than Capital Advance					
Security Deposit		194.07		180.28	
Advance to Related Parties		-		-	
Other Advances					
Taxes & Duties Paid Under Protest	40.29			35.19	
Advance Income Tax	83.08			82.51	
Advance against Salary & Wages	84.45			107.71	
Miscellaneous	-	207.82	401.90	-	225.41
c) Others					
Secured, Considered Goods:			-		-
Unsecured, Considered Goods:					
Export Entitlement			-		-
Claim Receivable		67.50	67.50	20.70	20.70
Total			654.84		725.27

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

B	CURRENT ASSETS	As at 31st March, 2020		As at 31st March, 2019	
7	Inventories (Valued at lower of cost or net realizable value)				
	a) Raw Materials		818.82		969.44
	b) Work in Progress		1,682.47		1,056.97
	c) Finished Goods		271.93		71.89
	d) Stores & Spares		732.27		639.89
	e) Others				
	Scrap		2.84		2.26
	Total		3,508.34		2,740.45

8	Trade Receivables	As at 31st March, 2020		As at 31st March, 2019	
		₹		₹	
	Trade Receivable Considered Goods - Secured:				
	Trade Receivable Considered Goods - Unsecured:		2,601.86		2,802.05
	Trade Receivable which have significant increase in Credit Risk		278.14		215.31
	Trade Receivable Credit Impaired		241.84		270.20
	Less: Allowance for Credit Impairment		241.84		270.20
	Total		2,880.00		3,017.36

Note: Trade Receivable- Credit Risk represent receivables in respect of which the management has taken appropriate steps to identify and examine each case in details and depending on merits of the case necessary action would be taken by the management.

9	Cash and Cash Equivalent				
	a) Balances with Banks				
	Current Account		211.05		256.77
	Fixed Deposit		-		-
	b) Cash on hand		17.14		19.22
	Total		228.19		275.99

10	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		635.10		635.59
	Total		635.10		635.59

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

11 Other Current Assets	As at 31st March, 2020		As at 31st March, 2019	
a) Advance Other than Capital Advance				
iii) Other Advances				
Advance to Suppliers & Others	190.61		280.61	
GST Receivable:	585.90		558.40	
VAT receivable	3.52		3.52	
Custom Duty Receivable	-		1.47	
Prepaid Expenses	11.72		14.46	
Miscellaneous	220.98		44.66	
Interest Receivable	5.61		5.51	
Misc. Exp. Not Written Off	-	1,018.35	-	908.63
Total		1,018.35		908.63

C EQUITY

12 Share Capital:				
a) Authorised:				
i) 50,000,000 Equity Shares of Rs.2 /- each.		1,000.00		1,000.00
ii) 5,000,000 Preference Shares of Rs.100/- each.		5,000.00		5,000.00
Total		6,000.00		6,000.00
b) Issued, Subscribed & Paid Up:				
i) Equity Shares Fully Paid Up:				
42,755,123 Equity Shares of ₹ 2 /-each.		855.10		855.10
Total		855.10		855.10

c) Reconciliation of the number of Equity Shares Outstanding:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Nos		Nos
Number of Shares outstanding at the beginning of the year.		4,27,55,123		4,27,55,123
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.				
Number of Shares outstanding at the end of the year.		4,27,55,123		4,27,55,123

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

d) Reconciliation of the number of Preference Shares Outstanding:

Particulars	2019-20			2018-19		
	Nos	Nos	Nos	Nos	Nos	Nos
Number of Shares outstanding at the beginning of the year.			-			-
Less: Number of shares redeemed during the year.		-	-		-	-
Number of Shares outstanding at the end of the year.			-			-

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

Name of Shareholders	As at 31st March,2020		As at 31st March,2019	
	Number of Shares held Nos	% of Share held Nos	Number of Shares held Nos	% of Share held Nos
Sunita Khaitan	1,01,18,900	23.67	1,01,18,900	23.67
Reliance Sheet Works Pvt Ltd	72,51,481	16.96	72,51,481	16.96
Amit Commercial Co.Ltd	72,30,132	16.91	72,30,132	16.91
Asset Reconstruction Company (India) Ltd	1,11,00,000	25.96	1,11,00,000	25.96

f) 11,100,000 fully paid Equity Shares of ₹ 2/- have been issued at par to ARCIL towards conversion of part of the term loan and outstanding interest without payment being received in cash.

g) Rights, Preferences and Restrictions attached to shares:

- i) Each Equity Share holder holding shares of ₹ 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.

13 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,2019	Addition	Deduction	Balance as at 31st March' 2020
General Reserve	287.63	-	-	287.63
Retained Earnings	3,434.24	(333.78)	-	3,100.46
Items of Other Comprehensive Income				
Remeasurement of Defined Benefit Plan	22.72	32.82		55.55
Fair value of Equity Instruments through OCI	(0.53)	-		(0.53)
Total	3,744.07	(300.96)	-	3,443.11

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

- a) **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.
- b) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any loss incurred, any transfers to general reserve, dividends or other distributions paid to shareholders.
- c) **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 31st March 2019	22.72	(0.53)	22.20
Remeasurement gain/(loss) on defined benefit plans	32.82	-	32.82
Gain/(loss) on Equity Instruments recognised in other comprehensive income	-	-	-
Reclassified to Statement of Profit and Loss	-	-	-
Income tax effect	-	-	-
As at 31st March 2020	55.55	(0.53)	55.02

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

14	Borrowings:	As at 31st March, 2020			As at 31st March, 2019		
	a) Debentures						
	Secured						
	i) 350,000 19% Redeemable Non-Convertible Debenture of ₹ 100/- each privately placed with The New India Assurance Co. Ltd. (NIA)		21.46			21.46	
	ii) 100,000 19% Redeemable Non-Convertible Debentures of ₹100/- each privately placed with The Oriental Insurance Co. Ltd. (OIC)		89.89			89.89	

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

D NON-CURRENT LIABILITIES

14 Borrowings:	As at 31st March,2020		As at 31st March,2019	
iii) 100,000 20% Redeemable Non-Convertible Debentures of ₹100/- each privately placed with NIA.		105.46		105.46
iv) 506,662 14% Redeemable Debentures of ₹30/-each. (Non-Convertible Portion)	151.85		151.92	
v) 47,037 14% Redeemable Debentures of ₹ 20/- each. (Non-Convertible Portion)	9.41		9.41	
vi) 7,089 14% Redeemable Debentures of ₹10/- each. (Non-Convertible Portion)	0.71		0.71	
	161.97		162.04	
Less: Allotment Money in arrear.	-		-	
Less: Unpaid Matured Debenture -Refer Note No-20(d) Transfer to Investor Protection Fund	151.85		151.92	
Other Overdue Debenture	10.12	-	10.12	-
		216.81		216.81
b)Term Loan:				
i) From Banks / Financial Institutions Secured:				
Kotak Mahindra Bank Ltd.	1,467.89		1,584.96	
	1,467.89		1,584.96	
Less: Overdue Portion of Long Term Debt	-		-	
Less: Current maturity of Long Term Debt (Refer Note -20(a))	730.89	737.00	622.21	962.75
ii) Other Parties				
Secured:				
Magma Housing Finance Ltd.	548.69		661.13	
	548.69		661.13	
Less: Overdue Portion of Long Term Debt	-		-	
Less Current maturities of Long Term Debts	208.40	340.29	208.40	452.72
Unsecured:				
Body Corporate	6,422.99		6,116.22	
Sales Tax Loan (Under Sales Tax Deferral and other Schemes)	-		-	
	6,422.99		6,116.22	
Less: Overdue Portion of Long Term Debt	-		-	
Less Current maturities of Long Term Debts (Refer note no 20 (a))	-	6,422.99	-	6,116.22
		7,500.28		7,531.69
c) Loans from Related Parties:				
Unsecured:				
d) Long Term Maturities of Finance Lease.(CAR)				
Secured:				
HDFC Bank Ltd	40.86		30.21	
	40.86		30.21	
Less Current maturities of finance lease (Refer Note-20(b))	19.39	21.47	12.02	18.19
		21.47		18.19
Total		7,752.31		7,780.44

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

NOTES:**Terms of Redemption / Repayment:****a) Debentures.**

- i) In respect of Note-14(a) (i) to (iii) 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.
- ii) In respect of Note-14(a) (iv) to (vi) 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 Debenture holders for One Time Settlements with them.
- iii) In respect of Note-14(a)(iv) above, payment has been made during the year for ₹ 0.07 lacs (Previous Year ₹ 0.08 lacs).

b) Term Loans:

- i) During the financial year 2017-18 Kotak Mahindra Bank Ltd. (KMBL), pursuant to their Sanction letter dated 13.02.2018, sanctioned credit facilities of ₹ 32 crore overall segregated into (a) a Term Loan of ₹ 20 crores (with a sublimit of ₹ 5 crores towards cash credit facilities) and (b) non-fund facility towards Letter of Credit of ₹ 12 crores to the Company. The Term Loan is repayable in 60 monthly instalments with a moratorium of one year as to the principal amount. The Letters of Credit are proposed to be utilised for import of machineries for the proposed expansion project. During the year ended March 31, 2018 the Company availed ₹ 18 crores out of the sanctioned Term Loan for settlement of dues to ARCIL.
- ii) Subsequently, pursuant to the Order of the Hon'ble High Court of Kolkata dated 17th April, 2018 the State Bank of India has released accumulated balance of ₹ 25.99 crore (including interest and net of charges), being sale proceeds of assets kept deposited in No-lien account of SBI so far. Consequently, the Company has repaid Rs 18 crore to KMBL (out of amount released by SBI) and balance utilised to pay of pending statutory liabilities.
- iii) Post repayment, on being approached by the Company to support the Expansion plan currently being envisaged by the Company in line with the erstwhile Draft Rehabilitation Scheme, KMBL, vide Sanction letter dated 21/5/2018, and 20/11/2018, has revised their Sanction letter dated 13/02/2018 and sanctioned overall credit facilities of ₹ 49.46 crores (including Forex Fwd LER of Rs. 4 crores) segregated into (a) Term Loan of ₹ 18.46 crores (b) Working Capital Limit of ₹ 5 crore and (c) LC limit of ₹ 22 crore backed up by a Term Loan of ₹ 22 crores. Term Loan of ₹ 9.46 crores is against Capex repayable in 60 monthly instalments and balance ₹ 9 crores is against GST payable on purchase of machineries and is repayable in 36 monthly instalments. Minimum upfront cash margin of 10% and additional margin of 1.5% of the LC amount is required to be built up monthly in respect of the LC facilities. The Company has availed Term Loan of ₹ 14.68 crores out of ₹ 18.46 crores for Capex including GST and LC facilities of ₹ 16.31 crore during last year for purchase of imported machineries.
- iv) Unsecured loans from promoters ₹ 13.75 lacs and certain bodies corporate ₹ 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.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

- v) Loan from Magma Housing Finance Ltd. is repayable in 85 equated monthly installments (EMI) commencing from 31.08.2016.
- vi) Amount relating to Current Maturities has been calculated on the basis of existing repayment of lenders subject to changes/arrangements due to COVID 19 pandemic as may be effective in next financial year relevant amount presently unascertainable.

c) Finance Lease:

In respect of Note-14(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 Ltd., is secured by first and exclusive charge on all existing and future movable and immovable fixed and current assets of the company.
- ii) Term Loan from Magma Housing Finance Ltd. of ₹ 548.69 lacs (Previous Year ₹ 661.13 lacs) is secured by mortgage of personal property of promoter director and personal guarantee of promoter director and his family.

c) Finance Lease:

In respect of Note-14(d) above the aforesaid leases are secured by the hypothecation of the cars.

15	Provisions:	As at 31st March, 2020		As at 31st March, 2019	
		₹	₹	₹	₹
	a) Provision for Employees Benefits.				
	Gratuity	459.36		428.15	
	Leave Encashment (Refer note-42)	128.27	587.63	167.38	595.53
	b) Others.				
	Debenture Premium	13.75		13.75	
	Provision for Contingencies (Refer Note-41)	3.50	17.25	3.50	17.25
	Total		604.88		612.78
16	Other Non-Current Liabilities:				
	Accrued Expenses		216.51		213.19
	Total		216.51		213.19

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

	As at 31st March, 2020		As at 31st March, 2019	
	₹	₹	₹	₹
19 Other Financial Liabilities:				
a) Current Maturities of Long Term Debts -Refer Note No-14(b)(i) & (ii)		939.30		830.61
b) Current Maturities of Finance Lease Obligations -Refer Note No-14(d)		19.39		12.02
c) Interest Accrued and Due on Borrowings		148.01		134.40
d) Unpaid Matured Debentures and Interest accrued thereon				
Other Overdue Debenture -Refer Note No-14(a)		10.12		10.12
Investor Education and Protection Fund (Matured Debenture) -Refer Note No-14(a)		151.85		151.92
Interest Accrued and Due		59.16		59.16
221.13				221.20
e) Other Payables				
Overdue Portion of Long Term Debt (Refer Note No-14(b)(ii))		-		-
		-		-
Total		1,327.84		1,198.24
20 Other Current Liabilities				
Advance from Customers & Others		108.20		52.45
Statutory Liabilities		76.45		74.85
Salary, Wages & Bonus		311.62		223.90
Others		398.77		244.38
Total		895.03		595.58
21 Provisions:				
a) Provision for Employees Benefits				
Gratuity		81.74		70.39
Leave Encashment (Refer Note-42)		85.08		81.75
166.82				152.13
Total		166.82		152.13

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

	As at 31st March, 2020		As at 31st March, 2019	
	₹	₹	₹	₹
22 Revenue from Operations				
a) Sale of Products (Net of GST)		11,045.79		11,467.44
b) Other Operating Revenues				
Export Entitlement	31.04		36.47	
Conversion Charges Realisation	-		-	
Scrap Sale*	22.65	53.69	30.64	67.10
Total		11,099.48		11,534.55
Less : Excise duty and cess on sale of goods				
Revenue from operations (net)		11,099		11,535
c) GST/Excise duty and cess on sale of goods				
GST on sale of goods		12,55,32,969		13,25,14,483
Total GST/Excise Duty on sale of goods		12,55,32,969		13,25,14,483
23 Other Income				
a) Interest Income		41.16		111.85
b) Other Non-Operating Income (Net):		664.00		221.93
Total		705.16		333.78
24 Cost of Materials Consumed				
Raw Materials Consumed		3,611.35		3,511.89
Total		3,611.35		3,511.89
Note:				
i) Consumption of Raw Materials reported of after adjustment of Inter Unit stock transfer.				
25 Cost of Traded Goods				
Purchase of trading materials		545.04		-
Total		545.04		-
26 Change in Inventories.				
Closing Stock:				
Finished Goods	271.93		71.89	
Work in Progress:	1,682.47		1,056.97	
Stock in Trade	-		-	
Scrap	2.84	1,957.25	2.26	1,131.11
Less: Opening Stock:				
Finished Goods	71.89		95.27	
Work in Progress:	1,056.97		1,066.22	
Stock in Trade	-		-	
Scrap	2.26	1,131.11	1.01	1,162.51
Increase / (Decrease) in Stock		826.14		(31.40)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

	As at 31st March, 2020		As at 31st March, 2019	
	₹	₹	₹	₹
27 Employees Benefits Expense				
Salaries and Wages		2,394.83		2,360.85
Contribution to Provident Fund and Other Funds		126.92		121.47
Staff Welfare Expense		259.17		213.64
Total		2,780.92		2,695.97

Note: Salaries and Wages include ₹10.32 lacs (Previous Year ₹ 10.73 lacs) being expenses incurred on Research & Development.

28 Finance Cost				
Interest Expense		1,172.82		881.31
Total		1,172.82		881.31

Note: Interest Expense includes net interest on the defined benefit obligation under Ind AS-19 (Refer Note No.42)

29 Other Expenses				
Stores & Spare parts consumption		753.93		763.75
Rent		89.68		84.59
Rates & Taxes		16.21		830.68
Insurance		99.21		78.62
Power & Fuel		476.06		431.67
Repairs & Maintenance		672.35		765.36
Travelling & Conveyance		447.92		421.05
Directors' Fees		3.89		4.65
Payments to Auditors		3.78		5.11
Brokerage & Commission		250.66		257.86
Legal and Professional Expenses		295.23		333.98
Freight & Forwarding		108.58		118.57
Loss on Sale of Tangible Assets		31.15		4.99
Debenture Trustee Remuneration		-		13.50
Bad Debts Written Off		36.82		-
Sundry Balances Written Off		2.89		11.48
Provision for Doubtful Debt		-		-
Prior Period Expenses		41.72		5.57
Miscellaneous Expenses		660.14		624.51
Total		3,990.21		4,755.95

30 Other Comprehensive Income				
A.(I) Items that will not be reclassified to profit or loss				-
(ii) Remeasurements of the defined benefit plans;	32.82		(21.24)	
(iii) Equity Instruments through Other Comprehensive Income;	-		-	
Total		32.82		(21.24)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

	As at 31st March, 2020		As at 31st March, 2019	
	₹	₹	₹	₹
31 Other Disclosures:				
Contingent Liabilities and Commitments.				
(To the extent not provided for)				
i) Contingent Liabilities				
a) Claim against the company not acknowledged as debt.		77.28		77.28
b) Guarantees		-		-
c) Other money for which the Company is contingently liable.				
Sale Tax Demands	305.75		240.10	
Excise Demands	188.08	493.83	194.11	434.21
Total		571.11		511.49
ii) Commitments.				
a) Estimated amount of Contracts remaining to be executed		215.45		344.12
Total		215.45		344.12

Note:

- The above Contingent Liabilities for Sale Tax Demands includes demands made by Sale Tax Authorities from time to time, under Appeals.
As against above demands the Company has deposited ₹ 30.76 lacs under protest.
- The above Contingent Liabilities for Excise Demands includes demands made by Central Excise Authorities from time to time, under Appeals.
- A sum amounting to ₹ 52.69 lacs has been paid as advance in respect of above contracts remaining to be executed on Capital Account and not provided for.

32 Additional Information				
1.a) Depreciation and Amortization Expense				
Tangible Assets		850.23		491.28
Intangible Assets		13.99		13.53
Total		864.22		504.81
b) Payments to Auditors				
Audit Fees		2.75		2.75
Other Services		1.03		2.36
Total		3.78		5.11

- 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.
- Amounts due in respect of Trade Receivable ₹ 2880 lacs, and Other Non Current and Current Assets ₹ 598.56 lacs, are subject to confirmations. Also amounts due to parties under Non-Current Liabilities, Other Current Liabilities and Trade Payable ₹ 10644.54 lacs are subject to confirmation from the respective parties.
- In view of non-availability of profit, Debenture Redemption Reserve has not been created by the Company.

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

36 Provision for taxation is not considered necessary in view of loss for the year, as also continuation of relevant provisions of the Income tax Act, 1961, read with certain Judicial pronouncements.

37 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, 2020:

Transactions with Related Parties	Enterprises over which significant Influence exists		Key Management Personnel		Relatives to Key Management Personnel		Total	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Remuneration:								
Mr. Sunil Kumar Khaitan	-	-	84.77	57.38	-	-	84.77	57.38
Salary & Other Perquisites								
Mr. Vedant Khaitan					23.97	20.06	23.97	44.04
Mr. Dwarka Khaitan					27.47	26.22	27.47	26.22
Balance Outstanding:								
Accounts Receivable:								
Shalimar Industries Limited	4.45	4.45	-	-	-	-	4.45	4.45
Accounts Payables:								
Mr. Sunil Kumar Khaitan	-	-	42.82	20.42	-	-	42.82	20.42
Mr. Dwarka Khaitan					1.65	1.55	1.65	1.55

Note:

- a) No amount has been written back / written off during the year in respect of due to related parties.
- b) No provision for doubtful debts in respect of dues from related parties has been made.

38 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, 2020 :

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

A. Primary Segment**A.1. Segment Revenue**

- (a) Paper Mill Products
i) External Revenue
- (b) EDM Wire
i) External Revenue

As at 31st March, 2020		As at 31st March, 2019	
₹		₹	
	9,932.11		10,251.92
	1,167.37		1,282.63
	11,099.48		11,534.55

A.2. Segment Results

- (a) Paper Mill Products
(b) EDM Wire
(c) Others

Total Segment

Un-allocated corporate expenses net of un-allocated income

Operating profit

Other Income

Finance Cost

Total Profit/(Loss) before exceptional item

Exceptional items - income/(expenditure) - unallocated/corporate

Total Profit/(Loss) before tax**Tax Expense**

Current tax

Deferred tax charge/(credit)

Total Profit/(Loss) for the year

	714.70		451.71
	(580.82)		(417.17)
	-		-
	133.88		34.54
	-		-
	133.88		34.54
	705.16		333.78
	(1,172.82)		(881.31)
	(333.78)		(512.99)
	-		-
	(333.78)		(512.99)
	-		-
	-		-
	(333.78)		(512.99)

A.3 Segment Assets and Liabilities

- (a) Paper Mill Products
(b) EDM Wire
(c) Unallocable Items

As at 31st March, 2020		As at 31st March, 2019	
Assets	Liabilities	Assets	Liabilities
₹	₹	₹	₹
18,959.70	5,578.36	16,527.57	3,463.62
227.78	89.05	498.15	89.26
632.16	9,854.01	715.08	9,588.75
19,819.64	15,521.42	17,740.80	13,141.62

A.4 Capital expenditure including capital work-in-progress and depreciation

- (a) Paper Mill Products
(b) EDM Wire
(c) Others

Total

As at 31st March, 2020		As at 31st March, 2019	
Capital Expenditure	Depreciation	Capital Expenditure	Depreciation
₹	₹	₹	₹
3,005.92	864.02	8,001.58	503.79
-	0.19	-	1.02
-	-	-	-
3,005.92	864.22	8,001.58	504.81

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

B. Secondary Segment

Geographical distribution of segment revenues

Country	As at 31st March,2020		As at 31st March,2019	
	Paper Mill Products	EDM Wire	Paper Mill Products	EDM Wire
India	7,904.79	1,101.95	8,362.99	1,239.83
Outside India	2,027.32	65.43	2,215.22	52.68
Total	9,932.11	1,167.37	10,578.21	1,292.51

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.

39 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,2019	3.50
Provided During the period	-
Amount used during the period	-
Reversed during the period	-
Balance as at 31st March,2020	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.

40 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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

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.

- ii) 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, 2020	As at 31st March, 2019
	(Rs.in lacs)	(Rs.in lacs)
Employer's Contribution to Provident Fund	126.97	121.47
Employer's Contribution to Superannuation Fund	-	-
Employer's Contribution to Employee State Insurance Scheme	9.23	15.98
Employer's Contribution to Labour Welfare Fund	0.12	0.10

b) Defined Benefit Plan :

- i) 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.
- ii) 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.
- iii) 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		Unfunded	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Defined Benefit Obligation at beginning of the year	109.50	98.26	543.42	524.19	249.13	243.21
Current Service Cost	5.13	3.12	35.84	34.71	48.03	19.47
Past Service Cost	-	-	-	-	-	-
(Gain)/Loss on settlements	-	-	-	-	-	-
Interest Cost	7.41	7.86	44.39	37.87	19.06	16.81
Benefit Payments from Plan Assets	(9.38)	(7.36)	(33.71)	(64.75)	-	-
Benefit Payments from Employer	-	-	-	-	(36.35)	(49.95)
Settlement Payment from Plan Assets	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

Particulars	Gratuity				Leave Encashment	
	Funded		Unfunded		Unfunded	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Settlement Payment from Employer			-	-	-	-
Others (Employees Contribution, Taxes, Expenses)			23.25		-	-
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	5.16	7.63	27.48	1.79	6.45	2.66
Remeasurements-Due to Experience Adjustments			(68.82)	9.60	(72.97)	16.92
Defined Benefit Obligation at end of the year	117.82	109.50	571.85	543.42	213.35	249.13

B. Change in Fair Value of Plan Assets

Particulars	Gratuity				Leave Encashment	
	Funded		Unfunded		Unfunded	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Fair Value of Plan Assets at beginning of the year	101.22	86.52	44.88	49.59	-	-
Interest Income	6.59	-	3.54	3.82	-	-
Employer Contributions	1.79	43.60	36.00	58.44	-	-
Employer Direct Benefit Payments	-	-	-	-	36.35	49.95
Employer Direct Settlement Payments					-	-
Benefit Payments from Plan Assets	(9.38)	(7.36)	(33.71)	(64.75)	(36.35)	(49.95)
Benefit Payments from Employer					-	-
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	-	(21.54)	(2.35)	(2.22)	-	-
Fair Value of Plan Assets at the end of the year	100.21	101.22	48.36	44.88	-	-

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

C. Statement of Profit & Loss

Particulars	Gratuity				Leave Encashment	
	Funded		Unfunded		Funded	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Employees Benefit Expense						
Current Service Cost	5.13	3.12	35.84	34.71	48.03	19.47
Past Service Cost	-	-	-	-	-	-
(Gain)/Loss on settlements	-	-	-	-	-	-
Reimbursement Service Cost	-	-	-	-	-	-
Finance costs						
Interest Expense on Defined Benefit Obligations	7.41	7.86	44.39	37.87	19.06	16.81
Interest (Income) on Plan Assets	(6.59)	-	(3.54)	(3.82)	-	-
Interest (Income) on Reimbursement Rights	-	-	-	-	-	-
Interest Expense on (Asset Ceiling)/Onerous Liability	-	-	-	-	-	-
Reimbursement of Other Long Term Benefits	-	-	-	-	-	-
Net impact on profit (before tax)	5.95	10.98	76.69	68.76	67.09	36.28
Remeasurement of the net defined benefit plans						
Remeasurements-Due to Demographic Assumptions	-	-	-	-	-	-
Remeasurements-Due to Financial Assumptions	5.16	7.63	27.48	1.79	6.45	2.66
Remeasurements-Due to Experience Adjustments	-	-	(68.82)	9.60	(72.97)	16.92
(Return) on Plan Assets (Excluding Interest Income)	-	-	2.35	2.22	-	-
(Return) on Reimbursement Rights	-	-	-	-	-	-
Change in Asset Ceiling/Onerous Liability	-	-	-	-	-	-
Net impact on Other Comprehensive Income (before tax)	5.16	7.63	(38.99)	13.62	(66.52)	19.59

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 FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ 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		Unfunded	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Funded plans in deficit:						
Defined Benefit Obligations	117.82	109.50	571.85	543.42	213.35	249.13
Fair Value of Plan Assets	(100.21)	(101.22)	(48.36)	(44.88)	-	-
Net (Asset)/Liability recognized in Balance Sheet	17.61	8.28	523.49	498.54	213.35	249.13

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		Unfunded	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Discount Rate(per annum)		6.75%	7.70%	7.70%	7.00%	7.70%,7.5%
Salary Escalation - First 5 years	-	N/A	6%	6%	6%,	6%, 8%
Salary Escalation - After 5 years		N/A	6%	6%	6%	6%
Expected Rate of Return on Plan Assets			7.00%	7.70%	N/A	N/A
Disability Rate	5% of Mortality Rate	5% of Mortality Rate	5% of Mortality Rate	5% of Mortality Rate	5% of Mortality Rate	5% of Mortality Rate
Withdrawal Rate	1% to 8%	1% to 8%	8% to 1%	8% to 1%	8% to 1%	8% to 1%
Retirement Age	58 years	58 years	58 years	58 years	58 years	58 years
Average Future Service		16.04	14.79	14.48	14.39	14.71

Demographic Assumptions

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

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 (Contd.)

₹ in lacs

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, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
Under Base Scenario	54251730	54341508	14559641	19005466
Salary Escalation - (Up by 1%)	58521563	58415554	15462739	20294764
Salary Escalation - (Down by 1%)	50403260	50660921	13760689	17857511
Withdrawal Rates (Up by 1%)	54491323	54734614	14617422	19143569
Withdrawal Rates (Down by 1%)	53986275	53907325	14495106	18852018
Discount Rates (Up by 1%)	50615542	50887335	13750611	17889057
Discount Rates (Down by 1%)	58359478	58232276	15480263	20271164

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

41 COVID-19 has caused significant disruptions to businesses across India. The management has considered the possible effects, if any, that may impact the carrying amounts of inventories, receivables and intangibles. In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects no impairment to the carrying amounts of these assets. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.

42 Earning Per Shares	As at 31st March, 2020	As at 31st March, 2019
	₹ in lacs	₹ in lacs
a) Profit/(Loss) for the year	(333.78)	(512.99)
b) Weighted average number of Basic Equity Shares of ₹ 2/- each outstanding during the year.(No. of shares in lacs)	427.55	427.55
c) Weighted average number of Diluted Equity Shares of ₹ 2/- each outstanding during the year.(No. of shares in lacs)	427.55	427.55
d) Basic Earning Per Shares (₹) a/b	(0.78)	(1.20)
e) Diluted Earning Per Shares (₹) a/c	(0.78)	(1.20)

NOTES TO FINANCIAL STATEMENTS for the year ended 31st March, 2020 *(Contd.)*

₹ in lacs

- 43 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.

The accompanying notes 1 to 43 are an integral part of the financial statements.

As per our report of even date.

For KHANDELWAL RAY & CO
Chartered Accountants
FR NO.302035E

For and on behalf of Board of Directors

CA. S. Khandelwal
Partner
Membership No.054451
Kolkata
Dated: 30th July,2020

Sunil Khaitan
Managing Director

Parmanand Tiwari
Director

S.J.Sengupta
President & CFO

S.K.Kejriwal
Company Secretary

If undelivered, please return to:

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25, Ganesh Chandra Avenue
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