CORPORATE GOVERNANCE REPORT

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

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

2. Board of Directors

The Board of Directors of the company is presently having five directors. The Chairman & Managing Director of the Company is the only Execu ve Director. The other directors including one nominee director are non-execu ve directors.

During the financial year ended 31st March, 2014, four Board Mee ngs were held on 20.05.2013, 06.08.2013, 07.11.2013 and 10.02.2014.

The composi on of Directors and the a endance at the Board Mee ngs during the year and the last Annual General Mee ng as also other directorships and Commi ee Memberships are given below:

Name of Director	Category	No. of Board Mee ngs A ended during the year	Whether last AGM a ended	No. of other Directorship	No. of other Commi ee membership/ Chairmanship
Mr.Sunil Khaitan, (DIN00385961) Chairman & Mg. Director	Promoter and Execu ve	4	Yes	1	NIL
Mr. Manash Chakraborty (DIN05293875)	Nominee of ARCIL	4	No	2	1
Mr. B. Dasgupta* (DIN01096895)	Nominee of IDBI	1	No	NIL	NIL
Mrs. Devjani Mandal * (DIN06674295)	Nominee of IDBI	3	No	NIL	NIL
Mr. Probir Roy (DIN00033045)	Non-execu ve Independent	4	No	4	NIL
Mr. Dipak Rudra, IAS (Retd) (DIN00240145)	Non-execu ve Independent	4	Yes	9	2
Mr. Dipak Dasgupta (DIN01099414)	Non-execu ve Independent	4	Yes	5	NIL

* Nomina on of Mr. B. Dasgupta was withdrawn by IDBI Bank Ltd. w.e.f. 29th June, 2013 and in his place Mrs. Devjani Mandal was appointed as Nominee Director of IDBI Bank Ltd. w.e.f. 29th June, 2013. Nomina on of Mrs. Devjani Mandal was withdrawn by IDBI Bank Ltd. w.e.f. 7th May, 2014.

None of the Directors of the Company's Board is a member of more than 10 Commi ees or Chairman of more than 5 Commi ees (commi ees being Audit Commi ee, Nomina on and Remunera on Commi ee and Stakeholders Rela onship Commi ee) across all the Companies is which he is Director and neither of them holds office of Director in more than 15 Public Limited Companies.

Code of Conduct for Directors & Senior Management

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

3. COMMITTEES OF THE BOARD

Your Company's Board has three Sub Commi ees

- o Audit Commi ee
- o Nomina on and Remunera on Commi ee
- o Stakeholders Rela onship Commi ee

A. Audit Commi ee

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

The Terms of Reference of the Audit Commi ee are in accordance with those specified in Clause 49 of the Lis ng Agreement and Sec on 177 of the Companies Act, 2013. The terms of reference of Audit Commi ee includes the following:

- the recommenda on for appointment, remunera on and terms of appointment of auditors of the company;
- ii) review and monitor the auditor's independence and performance, and effec veness of audit process;
- iii) examina on of the financial statement and the auditors' report thereon;
- iv) approval or any subsequent modifica on of transac ons of the company with related par es;
- v) scru ny of inter-corporate loans and investments;
- vi) valua on of undertakings or assets of the company, wherever it is necessary;
- vii) evalua on of internal financial controls and risk management systems;
- viii) monitoring the end use of funds raised through public offers and related ma ers.

During the financial year ended 31st March, 2014, four mee ngs of the Audit Commi ee were held on 20.05.2013, 06.08.2013, 07.11.2013 and 10.02.2014.

Composi on of Audit Commi ee

The present composi on of the Audit Commi ee comprises three members, consis ng of two independent directors and one nominee director. The details of mee ngs a ended by the Members are as follows:

SI.	Name	Status	No.of mee ngs a ended
No.			
1	Mr. Dipak Rudra	Chairman	4
2	Mr. Manash Chakraborty	Member	4
3	Mr. B. Dasgupta *	Member	1
4	Mrs. Devjani Mandal *	Member	1
5	Mr. Dipak Dasgupta	Member	4

^{*} Nomina on of Mr. B. Dasgupta was withdrawn by IDBI Bank Ltd. w.e.f. 29th June, 2013 and in his place Mrs. Devjani Mandal was appointed as Nominee Director of IDBI Bank Ltd. w.e.f. 29th June, 2013. Nomina on of Mrs. Devjani Mandal was withdrawn by IDBI Bank Ltd. w.e.f. 7th May, 2014.

The Internal Auditor and the Statutory Auditors a end the mee ng as and when felt necessary. The Company Secretary acts as the Secretary of the Commi ee. The Chairman of the Audit Commi ee Mr. Dipak Rudra a ended the last Annual General Mee ng held on 23rd September, 2013.

B) Nomina on and Remunera on Commi ee

a) Composi on of the Commi ee

The Board recons tuted the Nomina on and Remunera on Commi ee on 19th May, 2014, comprises three members, consis ng of two independent directors and one nominee director. During the financial year ended 31st March, 2014, one mee ng of the Nomina on and Remunera on Commi ee was held on 10.02.2014. The detail of mee ng a ended by the Members are as follows:

Sl. No.	Name	Status	No.of mee ngs a ended
1	Mr. Dipak Rudra	Chairman	1
2	Mr. Manash Chakraborty	Member	1
3.	Mr. B. Dasgupta *	Member	NIL
4	Mrs. Devjani Mandal *	Member	1
5.	Mr. Dipak Dasgupta **	Member	NIL

^{*} Nomina on of Mr. B. Dasgupta was withdrawn by IDBI Bank Ltd. w.e.f. 29th June, 2013 and in his place Mrs. Devjani Mandal was appointed as Nominee Director of IDBI Bank Ltd. w.e.f. 29th June, 2013. Nomina on of Mrs. Devjani Mandal was withdrawn by IDBI Bank Ltd. w.e.f. 7th May, 2014.

b) Terms of Reference of the Commi ee

The Commi ee shall have authority to deal with the ma ers are in accordance with the

^{**} Mr. Dipak Dasgupta was appointed as a member of the commi ee w.e.f. 19th May, 2014.

provisions Sec on 178 of the Companies Act, 2013 and as specified under clause 49 of the lis ng agreement. The terms of reference of nomina on and remunera on commi ee includes the following:

- Iden fy persons who are qualified to become directors;
- Iden fy persons who may be appointed as key managerial personnel and in senior management posi ons;
- Recommended to the Board for re-appointment of directors based on performance evalua on of the re ring director;
- Annual evalua on of every director's performance;
- Formula ng a remunera on policy of the Company;
- To propose remunera on packages for the Directors and Key Managerial Personnel including senior management;
- Recommending re-cons tu on of the Board or senior management as may be required from me to me under the prevailing laws and for opera onal effec veness of the Company.

c) Remunera on to Directors

The details of remunera on paid to all the Directors during the year ended on 31.03.2014 are given below:

Name	Salary (Rs.)	Perquisits & Allowances (Rs.)	Si ng fee (Rs.)	Total (Rs.)	Service Contract if any
Mr.Sunil Khaitan (Chairman & Mg. Director)	22,20,000	14,88,875	-	37,08,875	Yes
Mr. Manash Chakraborty (Nominee Director)	-	-	77,000	77,000	Nominee
Mr. B. Dasgupta * (Nominee Director)	-	-	18,000	18,000	Nominee
Mrs. Devjani Mandal *	-	1	39,000	39,000	Nominee
Mr. Probir Roy	-	-	32,000	32,000	No
Mr. Dipak Rudra	-	-	77,000	77,000	No
Mr. Dipak Dasgupta	-	-	72,000	72,000	No

^{*} Nomina on of Mr. B. Dasgupta was withdrawn by IDBI Bank Ltd. w.e.f. 29th June, 2013 and in his place Mrs. Devjani Mandal was appointed as Nominee Director of IDBI Bank Ltd. w.e.f. 29th June, 2013. Nomina on of Mrs. Devjani Mandal was withdrawn by IDBI Bank Ltd. w.e.f. 7th May, 2014.

C) Stakeholders Rela onship Commi ee

a) Composi on of the Commi ee

The Shareholders/ Investors Grievance Commi ee was renamed by the Board as Stakeholders

Rela onship Commi ee in terms of Sec on 178(5) of the Companies Act, 2013 on 19th May, 2014, comprises three members, consis ng of two independent directors and one nominee director. During the financial year ended 31st March, 2014, four mee ngs of the said Commi ee were held on 20.05.2013, 06.08.2013, 07.11.2013 and 10.02.2014. The details of mee ngs a ended by the Members are as follows:

SI. No.	Name	Status	No.of mee ngs a ended
1	Mr. Dipak Rudra	Chairman	4
2	Mr. Manash Chakraborty	Member	4
3	Mr. B. Dasgupta *	Member	1
4	Mrs. Devjani Mandal *	Member	1
5	Mr. Dipak Dasgupta	Member	4

^{*} Nomina on of Mr. B. Dasgupta was withdrawn by IDBI Bank Ltd. w.e.f. 29th June, 2013 and in his place Mrs. Devjani Mandal was appointed as Nominee Director of IDBI Bank Ltd. w.e.f. 29th June, 2013. Nomina on of Mrs. Devjani Mandal was withdrawn by IDBI Bank Ltd. w.e.f. 7th May, 2014.

b) Terms of Reference.

The terms of reference of Stakeholders Rela onship Commi ee are as follows:

- i) Ensure redressal of Shareholders and Investors complaints rela ng to transfer of shares, Non-receipt of balance sheet etc.
- ii) Redressal of Investors complaints in respect of non-receipt of interest/redemp on proceeds against the non-conver ble debenture.
- iii) To oversee the performance of Maheshwari Datama cs Pvt. Ltd., the Registrar and Share Transfer Agent.
- iv) To delegate the powers of approving transfer of shares/debentures to the Company's Registrar under the supervision and control of the Company Secretary, subject to placing of the summary statement of transfer/transmission etc. of shares/debentures of the company at the commi ee mee ng.
- v) To implement and monitor the various requirement as set out in the Code of Conduct for provision of insider trading pursuant to the provisions of the SEBI (prohibi on of Insider Trading Regula ons, 1992.)

As per SEBI guidelines, the powers of processing of the share transfers, both physical and demat mode have been delegated to M/s. Maheshwari Datama cs Pvt. Ltd. in order to expedite the process of share transfers, issue of duplicate cer ficates and cer ficates a er split/consolida on/renewal and rematerialisa on. Mr. S.K. Kejriwal, Company Secretary has been appointed as the compliance officer for complying with the requirement of SEBI and the lising agreement.

The Company confirms that there were no share transfers lying pending as on 31.03.2014 and all requests for dematerialisa on and re-materialisa on 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, 2013 to March, 2014:

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

4. General Body Mee ngs

The last three Annual General Mee ng were held as under:

Financial Year	Date and Time	Venue	No. of Special Resolu on
2012-2013	23.09.2013 10.00 A.M.	Science City Mini Auditorium Kolkata	None
2011-2012	28.09.2012 10.00 A.M.	Science City Mini Auditorium Kolkata	1 (appointment u/s.314 of the Companies Act, 1956)
2010-2011	30.09.2011 10.00 A.M.	Science City Mini Auditorium Kolkata	1 (appointment of Mg. Director)

In the last AGM held on 23.09.2013 no resolu on was passed through Postal Ballot.

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

Resume and other informa on regarding the Directors seeking re-appointment as required by clause 49 of the Lis ng Agreement has been given in the No ce of the Annual General annexed to the Annual Report.

5. Disclosures

- i) Related Party transac ons have been disclosed under Note No. 33 to the accounts for year under review and it is not conflict with the interest of the Company.
- ii) The Company has complied with all the mandatory requirements of clause 49 of the lis ng agreements with the Stock Exchanges as well as regula ons and guidelines of SEBI, wherever applicable.
- iii) No penal es or stricture have been imposed by SEBI, Sock Exchanges or any Statutory Authori es on ma ers related to Capital Markets during the last three years.
- iv) Resume and other informa on of the Directors proposed to be appointed/re-appointed (including those re ring by rota on) at the ensuing Annual General Mee ng are given in the No ce rela ng thereto to the shareholders.

6. Management Responsibility Statement

The management confirms that the Financial Statements are in full conformity with requirements of the Companies Act, 1956 and the Generally Accepted Accoun ng Principles (GAAP) in India. The Management accepts responsibility for the integrity and objec vity of these financial statements as well as for es mates and judgments rela ng to ma ers not concluded by the year- end. The management believes that the financial statements of opera on reflect fairly the form and substance of transac ons and reasonably present the Company's financial condi on and the results of opera ons. The Company has a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The internal Audits have conducted periodic audits to provide reasonable assurance that the Company's established policy and procedures have been followed.

The financial statements have been audited by Messrs. S.S. Kothari & Co., Chartered Accountants and have been discussed in the Audit Commi ee.

7. Managing Director/CFO Cer fica on

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

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

The above cer ficate was placed before the Board Mee ng held on 19th May, 2014.

8. Means of Communica on

(i) Financial Results

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

- (ii) The Company's results are displayed on the website www.shalimarwires.com.
- (iii) The Company has a separate e-mail Id secretarial@shalimarwires.com for investors to in mate their grievances, if any.
- (iv) Management Discussion and Analysis report forms part of the Directors' Report.

9. General Shareholders Informa on:

a) Annual General Mee ng

Date : 29th September, 2014

Time : 10.00 A.M.

Venue : Science City Mini Auditorium, J.B.S. Haldane Avenue,

Kolkata-700 046.

b) Financial Calender (tenta ve) for the year 2014 – 2015

1st Quarterly results On 7th August, 2014 2nd Quarterly results On or before 14th Nov, 2014 3rd Quarterly results On or before 14th Feb, 2015 4th Quarterly results On or before 15th May, 2015

c) Book Closure Date

: 22nd September, 2014 to 29th September, 2014 (both days inclusive)

d) Dates of the comple on of the

: Secretarial Audits for each quarter 1st Quarter - 12th July, 2014

2nd Quarter - On or before 15th October, 2014 3rd Quarter - On or before 15th January, 2015 4th Quarter - On or before 15th April, 2015

e) Lis ng of Equity shares on Stock Exchanges

The Company's shares are listed on the Stock Exchanges at :

• Calcu a (Stock Code 100294)

• Mumbai (Stock Code 532455)

The lis ng fees for the period 2014-2015 have been paid to both the Stock Exchanges.

Demat ISIN Number in NSDL and CDSL:

INE 655 D 01025

f) Market Price Data

The market price data (Monthly High/Low) of the company's Equity Shares traded on The Stock Exchange, Mumbai during the period April, 2013 to March 2014 is given below. There was no trading in Calcu a stock exchange.

MONTH	BOMBAY STOCK EXCHANGE LTD.		
	High	Low	
April, 13	6.29	5.96	
May, 13	6.27	5.60	
June, 13	5.80	5.71	
July, 13	6.00	6.00	
Aug, 13	6.00	6.00	
Sept, 13	5.71	5.71	
Oct, 13	5.98	5.77	
Nov, 13	5.90	4.71	
Dec, 13	4.83	4.55	
Jan, 14	4.57	3.83	
Feb, 14	4.02	3.12	
Mar, 14	3.27	3.00	

g) Registrar and Share Transfer Agent

: Maheshwari Datama cs Pvt.Ltd.

6, Mangoe Lane, 2nd Floor, Kolkata – 700 001

h) Share Transfer System

: The Company's shares are in compulsory demat mode. The share received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respect. Shares under objec on are returned within two weeks. Total number of physical shares transferred during the year ended 31.03.2014 was 1092

) Distribu on of shareholding & shareholding Pa ern.

: As per Appendix

i) Dematerialisa on of shares

: The shares of the Company are compulsorily traded in dematerialized form under depository system of both the Na onal Securi es Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL).

Company's Electronic Connec vity Registrar is Maheshwari Datama cs Pvt. Ltd., 6, Mangoe Lane, Kolkata – 700 001.

31112795 Nos. of equity shares (82.73%) of the paid up share capital of the Company was held in demat form with NSDL and CDSL as on 31st March, 2014. Interna onal Securi es & Iden fica on Number is INE 655 D 01025.

k) Corporate Iden ty Number

: The Corporate Iden ty Number (CIN) of the Company

is L74140WB1996PLC081521

l) Factory loca on

: The Company's factories are located at the following places:

1. 77,Netaji Subhas Road, U arpara, Dist. Hooghly, W.B.

2. E-26/29, Industrial Area, Satpur, Nashik - 422 007

3. Paper Machine Wire Unit

73, Industrial Estate, Satpur, Nashik - 422 007

m) Address for correspondence

: With the Company:

Share Department

25, Ganesh Chandra Avenue, 2nd Floor,

Kolkata - 700 013

Tel. Nos: (033) 2234-9308/09/10

Fax No.: (033) 2211-6880

E-mail: secretarial@shalimarwires.com Website: h p://www.shalimarwires.com

CIN: L74140WB1996PLC08151

With the Registrar:

Maheshwari Datama cs Pvt.Ltd.

6, Mangoe Lane,2nd Floor, Kolkata – 700 001 Tel. Nos : (033) 2243-5029/5809,(033) 2248-2248

Fax: (033) 2248 5787

E-mail: mdpl@cal..vsnl.net.in

Appendix

DECLARATION INDER CLAUSE 49

As provided under Clause 49 of the Lis ng Agreement with the Stock Exchanges, the Board members and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st march, 2014.

Place : Kolkata Sunil Khaitan

Dated: 5th August, 2014 Chairman & Managing Director

APPENDIX PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2014

Category	No. of	% of	No. of	% of
	shareholders	shareholders	shares held	shareholding
Promoters/Directors & their rela ves including associate companies.	19	0.13	2,78,23,982	73.99
Financial Ins tu ons/Insurance Companies/Mutual Funds & Bank	24	0.16	7,77,420	2.06
Non-resident Indians/Overseas corporate bodies.	27	0.18	11,813	0.03
Other bodies corporate	152	1.03	69,58,898	18.51
Indian Public	14487	98.50	20,33,010	5.41
Total	14709	100.00	3,76,05,123	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014

No. of Equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-500	14248	96.86	8,48,710	2.26
501-1000	213	1.45	1,74,923	0.47
1001-5000	170	1.16	3,82,824	1.01
5001-10000	28	0.19	2,09,462	0.56
10001 and above	50	0.34	3,59,89,204	95.70
Total	14709	100.00	3,76,05,123	100.00

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF SHALIMAR WIRES INDUSTRIES LIMITED

We have examined the compliance of condi ons of corporate governance by Shalimar Wires Industries Limited for the year ended 31st March, 2014, as s pulated in Clause 49 of the lis ng agreement of the said company with the stock exchanges.

The compliance of condi on of condi ons of corporate governance is the responsibility of the management. Our examined was limited to procedures and implementa on thereof, adopted by the company for ensuring the compliance of the condi ons of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our informa on and according to the explana ons given to us, and the representa on made by the directors and the management, we cer fy that the company has complied with the condi ons of corporate governance as s pulated in the above-men oned lis ng agreement.

As required by the guidance note issued by the Ins tute of chartered accountants of India, we have to state as per the records maintained, there were no investors grievances remaining una ended/pending for more than 30 days as at 31 March, 2014. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effece weness with which the management has conducted the affairs of the company.

For S. S. KOTHARI & CO. Chartered Accountants FR No. 302034E CA P.K. Bha acharya Membership No. 015899 Partner

21, Old Court House Street Kolkata, 5th August, 2014