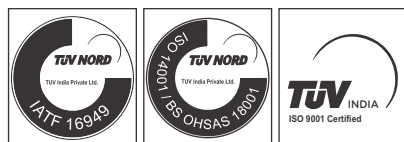


# 34<sup>th</sup> ANNUAL REPORT 2017-18



## SHIVALIK BIMETAL CONTROLS LIMITED



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## COMPANY INFORMATION

<b>Board of Directors</b>	: Mr. S.S. Sandhu, Chairman Mr. N.S. Ghumman, Managing Director Mr. G.S. Gill, Non-Executive Director Mrs. Harpreet Kaur, Non-Executive Woman Director Mr. N.J.S. Gill, Independent Director Mr. Rohit Kapur, Independent Director Lt. Gen. Pradeep Khanna (Retd.), Independent Director Capt. Jitender Singh Mann (Retd.), Independent Director
<b>Chief Financial Officer</b>	: Mr. Rajeev Ranjan
<b>Company Secretary</b>	: Mrs. Aarti Jassal
<b>Registered Office</b>	: 16-18, New Electronics Complex, Chambaghat, Distt. Solan-173213 Himachal Pradesh. Phone : +91-1792-230578, 230175 Fax : +91-1792-230475 Email : investor@shivalikbimetals.com Website: www.shivalikbimetals.com CIN: L27101HP1984PLC005862
<b>Head Office</b>	: H-2, Suneja Chambers, 2nd Floor, Alaknanda Commercial Complex, New Delhi-110019 Phone : +91-11-26027174, 26026362, 26028175 Fax : +91-11-26026776, 26020806 Email : investor@shivalikbimetals.com Website: www.shivalikbimetals.com
<b>Statutory Auditors</b>	: M/s. Arora Gupta & Co., Chartered Accountants, (Firm Registration No. 021313C) HO: T-2, Gole Market, Rudrapur, Udham Singh Nagar Uttarakhand 263153,
<b>Bankers</b>	: Indian Bank
<b>Registrar &amp; Share Transfer Agent</b>	: M/s MAS Services Ltd. T – 34, IInd Floor, Okhla Industrial Area, Phase – II, New Delhi-110020, Tel No.: (91) (11) 26387281, 266387282 Fax: (91) (11) 26387384 Email: info@masserv.com



## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 34<sup>th</sup> Annual General Meeting ("AGM") of the Members of Shivalik Bimetal Controls Limited ("SHIVALIK") will be held on Thursday, the 27<sup>th</sup> day of September, 2018, at 4<sup>th</sup> Floor Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts), Solan (H.P.)-173212, at 10.30 AM to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated Financial Statements) of the Company for the financial year ended 31<sup>st</sup> March, 2018 and the Reports of Directors and Auditors thereon.
2. To confirm the payment of interim dividend and to declare a final dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2018.
3. To appoint a Director in place of Mr. N.S. Ghumman (DIN: 00002052), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 4. RATIFICATION OF COST AUDITORS' REMUNERATION

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 148 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 75000 per annum plus applicable taxes and out of pocket expenses payable to Mr. Ramawatar Sunar, Cost Accountants, (Firm Registration No. 100691), who are re-appointed by the Board of Directors as Cost Auditors of the Company to conduct Audit of cost records of the Company for the financial year ending 31<sup>st</sup> March, 2019."

#### 5. INCREASE IN THE BORROWING LIMITS

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

**"RESOLVED THAT** consent of shareholders of the company be and is hereby accorded, pursuant to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors and/or any Committee of Directors thereof, to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or anybody corporate/entity/entities and/or authority/authorities, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, bonds, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 150 Crores (Rupees One Hundred & Fifty Crores only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

**RESOLVED THAT** consent of shareholders of the company be and is hereby accorded, pursuant to Section 180(1) (a) and other applicable provisions if any, of the Companies Act, 2013, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the



Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 150 Crores (Rupees One Hundred & Fifty Crores only) at any time.”

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized to finalise with Banks/Financial Institutions the documents for creating aforesaid mortgage and/or the charge and to do all such acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution.

**For Shivalik Bimetal Controls Limited**

**Sd/-**

**Aarti Jassal**

**Company Secretary**

**M.No. A25690**

Place : New Delhi

Date : 23.08.2018

**Registered Office:**

16-18, New Electronics Complex, Chambaghat, Distt. Solan (H. P) CIN: L27101HP1984PLC005862

E-mail: investor@shivalikbimetals.com

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight (48) hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representative to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 21<sup>st</sup> September, 2018 to Thursday, 27<sup>th</sup> September, 2018 (both days inclusive) for the purpose of 34<sup>th</sup> Annual General Meeting and determining the entitlement of the members to the final dividend (if, declared at the AGM).
4. The Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013, in respect of the special business under Item Nos. 4 & 5 is annexed here to.
5. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days except on holiday, during business hours between i.e. 11.00 AM to 01.00 PM up to the date of the Meeting.
6. Members desirous of obtaining any information relating to accounts and operations of the Company may address their queries/questions to the Company's Head Office, so as to reach at least five days before the date of the meeting so that the information may be made available at the meeting to the best extent possible.
7. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar/Company.

8. SEBI vide circular dated 20<sup>th</sup> April 2018 has mandated the Company to collect copy of PAN and Bank account details from Members holding shares in physical form. Accordingly individual letters are being sent to those shareholders whose PAN and Bank account details are not available with the Company. Such shareholders are requested to provide the information at the earliest to the Company/Registrar and Share Transfer Agent.
9. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements)(Fourth Amendment) Regulations, 2018 on June 8, 2018 and BSE circular No. LIST/COMP/15/2018-19 dated 05<sup>th</sup> July, 2018, to permit transfer of listed securities only in the dematerialized form with a depository w.e.f 05<sup>th</sup> December, 2018. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.
10. The notice of the Annual General Meeting along with the Annual Report 2017-18 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may please note that this notice and Annual Report 2017-18 will also be available on the Company's website [www.shivalikbimetals.com](http://www.shivalikbimetals.com).

Members who have not registered their e-mail address with the Company are requested to submit their valid e-mail address to MAS Services Limited. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly.

11. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its Head Office.
12. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
13. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Corporate Secretarial Department at the Head office or the Company's Registrar and Share Transfer Agent (MAS Services Limited) for revalidation and encash them before the due date. The details of such unclaimed dividends are available on the Company's website at [www.shivalikbimetals.com](http://www.shivalikbimetals.com). Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authority by submitting an online application in the prescribed Form IEPF- 5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF rules.

15. Voting through electronic means
  - a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 34<sup>th</sup> AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - b) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

- c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- d) If a person was a Member on the record date but has ceased to be a Member on the cut-off date, he/she shall not be entitled to vote and attend the AGM. Such person should treat this Notice for information purpose.
- e) The remote e-voting period commences on 24<sup>th</sup> day of September, 2018 (9:00 am) and ends on 26<sup>th</sup> day of September, 2018 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> day of September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**The process and manner for remote e-voting are as under:**

- I. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.



- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholder:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [amitsaxenacs@yahoo.com](mailto:amitsaxenacs@yahoo.com) with a copy marked to [evoting@nsdl.co.in](http://www.evoting.nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.





3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### Other Instructions

1. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20<sup>th</sup> day of September, 2018.
2. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20<sup>th</sup> day of September, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.
3. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
4. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
5. Mr. Amit Saxena, Practicing Company Secretary (Membership No. 29918), Proprietor of M/s Amit Saxena & Associates has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
6. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
7. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
8. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.shivalikbimetals.com](http://www.shivalikbimetals.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**For SHIVALIK BIMETAL CONTROLS LIMITED**

Place : New Delhi  
Date : 23.08.2018

**Sd/-**  
**Aarti Jassal**  
**Company Secretary**  
**M.No. A25690**

#### Registered Office:

16-18, New Electronics Complex, Chambaghat, Distt. Solan (H. P.) CIN: L27101HP1984PLC005862  
E-mail: [investor@shivalikbimetals.com](mailto:investor@shivalikbimetals.com)



## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

### **ITEM NO.4**

The Board, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of Mr. Ramawatar Sunar, Cost Accountants, (Firm Registration No. 100691), Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2019.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2019.

None of the other Directors /Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

### **ITEM NO. 5**

Keeping in view the Company's existing and future financial requirements to support its growing business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto Rs. 150 Crores (Rupees One Hundred & Fifty Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution.

**For SHIVALIK BIMETAL CONTROLS LIMITED**

**Sd/-**

**Aarti Jassal**

**Company Secretary**

**M.No. A25690**

Place : New Delhi

Date : 23.08.2018

### **Registered Office:**

16-18, New Electronics Complex, Chambaghat, Distt. Solan (H. P.) CIN: L27101HP1984PLC005862

E-mail: investor@shivalikbimetals.com



## DIRECTORS' REPORT



### To the Members,

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report of the Company for the year ended 31<sup>st</sup> March, 2018.

### FINANCIAL HIGHLIGHTS (STANDALONE)

(Rs. in Lakhs)

PARTICULARS	FY 2017-18	FY 2016- 17
<b>Revenue from Operations</b>	<b>16,167.97</b>	<b>12,556.99</b>
<b>Other Income</b>	<b>230.15</b>	<b>207.07</b>
<b>Total Revenue</b>	<b>16,398.12</b>	<b>12,764.06</b>
Operating Expenditure	13,420.66	10,658.11
<b>Profit/(Loss) before Interest, Depreciation, Tax &amp; Exceptional Items</b>	<b>2,977.46</b>	<b>2,105.95</b>
Finance Cost	331.13	254.25
Depreciation	461.58	453.67
<b>Profit/ (Loss) before Taxes &amp; Exceptional items</b>	<b>2,184.75</b>	<b>1,398.03</b>
Exceptional items (Income)/Expenses	(1.24)	3.24
<b>Profit/ (Loss) before Tax</b>	<b>2,185.99</b>	<b>1,394.79</b>
Tax Expense	587.30	532.55
<b>Profit/ (Loss) after Tax</b>	<b>1,598.69</b>	<b>862.24</b>
<b>Other comprehensive income</b>	<b>0.35</b>	<b>(7.17)</b>
<b>Total Comprehensive Income for the Period</b>	<b>1,599.04</b>	<b>855.07</b>

### PER SHARE DATA

Particulars	FY 2017-18	FY 2016-17
Basic EPS	4.16	2.23
Book Value per share	22.20	18.55

Except, as disclosed elsewhere in the Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the Financial Year and the date of this Report.

### ADOPTION OF INDIAN ACCOUNTING STANDARDS (Ind-AS)

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Financial statements for the year ended March 31, 2017 have been restated to conform to Ind-AS. Note no. 45 to the Standalone financial statements provide further explanation on the transition to Ind AS.

### COMPANY'S PERFORMANCE

Standalone performance:

The Company recorded encouraging performance for the year. The Company recorded an overall growth of 29% in operating revenue in FY 2017-18 from Rs. 12,556.99 lakhs to Rs. 16,167.97 lakhs.

The Profit before Tax and Profit after Tax for the year under review amounted to Rs. 2,185.99 Lakhs and Rs. 1,598.69 Lakhs respectively as compared to Rs. 1,394.79 Lakhs and Rs. 862.24 Lakhs, in the previous financial year.

The members are advised to refer the separate section on the Management Discussion and Analysis in this Report for detailed understanding of the operating results and business performance.

### EXPANSION

The Company was certified under TS 16949 in January 2016 and has now upgraded all related systems and procedures to conform to the new guidelines as per the newly released TS16949:2016 standard.



The AEC (Automotive Electronics Council) compliant test facility was commissioned as was reported in the previous issue of this document. This capability has allowed for development and successful submission of samples for various automotive applications, many of which are in final stages of testing and approval.

Commercial orders have already been received from leading automotive customers.

The existing stamping facility is now in its upgradation phase wherein new high speed presses are being installed in place of the older mechanical presses. This will provide a significant increase in accuracy, safety and capacity.

Various manual finishing and inspection processes are being automated. This is to achieve higher accuracy and output.

Your Directors are happy to inform you that the Company has succeeded in procuring approx. 2,324 sq.mt. of land adjacent to the existing manufacturing facility. The company plans to commence construction of factory building on this land by mid-october 2018 and complete the same by July 2019. This land will enable your Company to add approx. 25,000 sft. of additional area offering 3 floors.

#### **UNIT-IV**

As reported by your Directors in the previous year Annual Report with regard to setting up manufacturing facilities for capacity and capability enhancements, etc., your Directors are happy to inform you that, having obtained the possession of the land, the layout plans are under finalization and it is expected to commence construction in March 2019 and to complete the same by October 2020.

#### **CONSOLIDATED**

The Annual Report includes the audited Consolidated Financial Statements, prepared in compliance with the Companies Act, 2013 and the applicable Accounting Standards, its Joint Venture and Associate Companies. The Consolidated Financial Statements shall be laid before the ensuing 34<sup>th</sup> Annual General Meeting of the Company along with the laying of the Standalone Financial Statements of the Company.

Additional details regarding performance of the Associate Company & Joint Venture Companies have been mentioned in the succeeding paragraphs.

#### **PERFORMANCE OF THE ASSOCIATE /JOINT VENTURE COMPANIES**

Your Company has one Associate Company and two Joint Venture Companies as on 31<sup>st</sup> March, 2018. The members may refer to the financial statements forming part of the Annual Report as required under the provisions of Section 129(3) of the Companies Act, 2013. The key highlights of these Associate/Joint Venture companies are as under:

##### **a) Associate Company**

###### **Shivalik Bimetal Engineers Private Limited**

This Company recorded a turnover of Rs. 133.18 Lakhs for the year ended 31<sup>st</sup> March, 2018 (Previous year of Rs.128.74 Lakhs) and also recorded a profit of Rs. 25.28 Lakhs for the year ended 31<sup>st</sup> March, 2018 (Previous year of Rs.18.06 Lakhs).

##### **b) Joint Venture Companies**

###### **i) Innovative Clad Solutions Private Limited**

This Company recorded a turnover of Rs. 5,969.93 Lakhs for the year ended 31<sup>st</sup> March, 2018 (Previous year of Rs. 4,951.73 Lakhs) and also recorded a profit of Rs. 28.52 Lakhs for the year ended 31<sup>st</sup> March, 2018 (Previous year loss of Rs. (481.56) Lakhs).

###### **ii) Checon Shivalik Contact Solutions Private Limited**

This Company recorded a turnover of Rs. 2,248.67 Lakhs for the year ended 31<sup>st</sup> March, 2018 (Previous year of Rs. 2036.48 Lakhs) and also recorded a profit of Rs. 119.86 Lakhs for the year ended 31<sup>st</sup> March, 2018 (Previous year of Rs. 81.95 Lakhs).

These financial statements have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules,



2015 as specified in section 133 of the Companies Act, 2013. Financial statements for the year ended March 31, 2017 have been restated to conform to Ind-AS.

A statement containing salient features of the financial statements of the Associate/Joint Venture Companies in form AOC-1(Part-B) is given in '**Annexure -A**' to this Report.

Further, in accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing the Standalone and the Consolidated financial have been placed on the website of the Company i.e. [www.shivalikbimetals.com](http://www.shivalikbimetals.com).

## **DIVIDEND**

The Board of Directors has recommended a final dividend of Rs. 0.30 (i.e., 15%) per Equity Share of the face value of Rs. 2/- each (Last year: 12.5%) for the year ended 31<sup>st</sup> March, 2018, amounting to Rs. 138.90 Lakhs (including corporate dividend tax). This is in addition to the interim dividend of Rs. 0.30 (i.e., 15%) per equity share of Rs. 2/- each (last year : 12.5%) each in its Board Meeting held on 08<sup>th</sup> February, 2018 and which was paid on 06<sup>th</sup> March, 2018 amounting to Rs. 138.66 Lakhs (including corporate dividend tax). The total dividend per equity share for year ended 31<sup>st</sup> March, 2018 is Rs.0.60 (i.e., 30%) and total dividend payout is Rs.277.56 Lakhs (including corporate dividend tax).

The Register of Members and Share Transfer Books will remain closed from 21<sup>st</sup> September, 2018 and 27<sup>th</sup> September, 2018 (both days inclusive).

## **TRANSFER TO RESERVE**

During the year under review, the Company has not transferred any amount to the General Reserve.

## **PUBLIC DEPOSITS**

During the year under review, your Company has not invited any deposits from public/shareholders under Section 73 and 74 of the Companies Act, 2013.

## **BONUS SHARES**

During the year under review, the Company has issued and allotted 19201400 bonus shares to the equity shareholders in the ratio of 1:1 (i.e. one fully paid equity share of Rs. 2/- each for one fully paid equity share).

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of the independence as prescribed both under section 149(6) of the Companies Act, 2013 and under Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the Provisions of the Act, Mr. N.S. Ghumman (DIN: 00002052) Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

## **ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board 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. A structured questionnaire was prepared after circulating the drafts forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was done by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman, Board as a whole and the Non-Independent Directors was carried out by the Board excluding the Directors being evaluated. The Board of Directors expressed their satisfaction with the evaluation process.



## NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

During the year under review, Six (6) Board Meetings and five (5) Audit Committee Meetings were convened and held, the details of aforesaid meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to Financial Statements.

## AUDITORS

### Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 ("the Act") appointment of the statutory Auditor M/s. Arora Gupta & Co., Chartered Accountants (Firm Registration No. 021313C), was made by the Members in their Annual General Meeting (AGM) held on 27<sup>th</sup> day of September, 2017 for a period of five years i.e from the conclusion of 33<sup>rd</sup> AGM till conclusion of 38<sup>th</sup> AGM.

### Auditors Report

There are no qualifications, reservations, or adverse remarks or disclaimers made by the M/s. Arora Gupta & Co., Statutory Auditors, in their report. Observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments under Section 134(1) of the Companies Act, 2013.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has re-appointed M/s R Miglani & Co., Company Secretaries, New Delhi, to conduct the Secretarial Audit of your Company. The Secretarial Audit Report in form MR-3 for the financial year ended 31<sup>st</sup> March 2018 is annexed herewith as '**Annexure-B**' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2017-18 which call for any explanation from the Board of Directors.

M/s R Miglani & Co., Company Secretaries have been re-appointed to conduct the Secretarial Audit of the Company for the financial year 2018-19 and they confirmed their eligibility for the said re-appointment.

### Cost Auditors

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, the Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the re-appointment of Mr. Ramawatar Sunar, Cost Accountants, (Firm Registration No. 100691), as the Cost Auditor of the Company for audit of the cost records maintained by the Company for the year ended 31<sup>st</sup> March, 2019. Pursuant to Section 148 of the Act read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration of Cost Auditors is being sought from the Members of the Company at the ensuing AGM.

## INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The company has in place Internal Financial Control system, commensurate with size & complexity of its operations to ensure proper recording of financial and operational information & compliance of various internal controls & other regulatory & statutory compliances. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

Internal Auditors' comprising of professional Chartered Accountants monitor & evaluate the efficacy of Internal Financial Control system in the company, its compliance with operating system, accounting procedures & policies at all the locations of the company. Based on their report of Internal Audit function, corrective actions in the respective area are undertaken & controls are strengthened.

Significant audit observations & corrective action suggested are presented to the Audit Committee.





## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as **'Annexure - C'** to this Report.

## CORPORATE GOVERNANCE REPORT INCLUDING MANAGEMENT AND DISCUSSION ANALYSIS REPORT

As per the applicable provisions of the LODR Regulations 2015, a detailed Corporate Governance Report together with the Practising Company Secretary certificate on the compliance of conditions of Corporate Governance and Management Discussion & Analysis Report forms part of the Annual Report and annexed as **'Annexure - D&E'** to this Report

The Corporate Governance Report forming part of this Report also covers the following:

- a) Particulars of the Board Meetings held during the Financial Year 2017-18.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for the performance evaluation of Directors.
- c) The details with respect to composition of Committees and establishment of Vigil Mechanism (including Whistle Blower Mechanism/Policy).

## PARTICULARS OF CONTRACTS /ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arms' length basis.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at: <http://www.shivalikbimetals.com/images/pdf/related-party-transaction-policy.pdf>.

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large. Therefore, disclosure in Form AOC-2 is not required. Members may refer to Note 43 to the standalone financial statement which sets out related party disclosures pursuant to Ind AS.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has in place a CSR Policy in line with Schedule VII of the Companies Act, 2013. As per the policy the CSR activities are focused not just around the plants and offices of the Company, but also in other geographies based on the needs of the communities. The four focus areas where special Community Development programs are run:

- a) Promote education;
- b) School Support Program;
- c) Basic Infrastructure Development projects /Rural Development;
- d) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, Agro forestry, conservation of natural resources & maintaining quality of soil, air & water;

The Annual Report on CSR activities for the Financial Year 2017-18 is annexed as **'Annexure - F'** to this Report pursuant to Rule 8 of The Companies (Corporate Social Responsibility) Rules, 2014.



## CREDIT RATING

M/s Credit Analysis & Research Ltd. (CARE) has improved the credit ratings assigned to the Bank facilities of the Company, which is as under:-

Bank Facilities	Amount (Rs. Crore)	Rating	Remarks
Long Term Bank Facilities (Term Loan)	2.00 (reduced from 2.44)	CARE BBB+; Stable [Triple B Plus; Outlook: Stable]	Revised from CARE BBB; Stable [ Triple B; Outlook: Stable]
Short Term Bank Facilities (Non-Fund Based)	40.00	CARE A2 [A Two]	Revised from CARE A3+ [A Three Plus]
Long/Short Term Bank Facilities (Fund Based)	26.00	CARE BBB+; Stable/CARE A2 [Triple B Plus; Outlook: Stable/A Two]	Revised from CARE BBB; Stable/CARE A3+ [Triple B; Outlook: Stable/A Three Plus.]
<b>Total Facilities</b>	<b>68.00</b> <b>(Rupees Sixty Eight</b> <b>Crore Only)</b>		

## DETAILS OF NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL IN TERMS OF SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has implemented a policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace. The Company is committed to create a safe and healthy working environment. The Company believes that all individuals have the right to be treated with dignity and strives to create a workplace, which is free of gender bias and Sexual Harassment. The Company has a zero tolerance approach to any form of Sexual Harassment. The policy has been displayed on the Company's website.

There were no complaints received during the Financial Year 2017-18.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 134 (5) of the Companies Act, 2013, based on the information and representations received from the operating management, your Board of Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on 31<sup>st</sup> March, 2018.;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



## DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

In accordance with Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your Company has already formulated the Nomination and Remuneration & Board Diversity Policy. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters has been outlined in the Corporate Governance Report, which forms part of this Report.

### PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and given hereunder. In terms of Section 136(1) of the Companies Act, 2013, the same is open for inspection at the Registered Office of your Company. Copies of this statement may be obtained by the members in writing to the Company Secretary of your Company.

Further, the Company has no person in its employment drawing salary of 1.02 Crores per annum or 8.50 Lakhs per month (Excluding whole-time Directors- details of whom are given hereunder) as defined under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) and 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Name of Employee	Designation/ Nature of Duties	Remuneration (₹ in Lakhs)	Qualification	Age (years)	Experience (No. of years)	Date of Commencement of employment	Particulars of previous employment
1	2	3	4	5	6	7	8	9
1.	Mr. S.S. Sandhu	Chairman	181.49	B.A. (Pass)	64	46	01/09/1992	N.A.
2.	Mr. N.S. Ghumman	Managing Director	181.53	B.E. (Hons.)	67	45	18/06/1984	M/s Tradex Gestion SA General of Switzerland

Notes:

1. Remuneration shown above includes Salary, HRA, Medical Allowance, Company's contribution towards Provident Fund and Monetary value of perquisites calculated as per rules prescribed under Income Tax Law

### Other Disclosure

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18:

Mr. S.S.Sandhu	Chairman	Median 1:78
Mr. N.S.Ghumman	Managing Director	Median 1:78

- (ii) the percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year 2017-18:

Mr. S.S. Sandhu	Chairman	59.92%
Mr. N.S. Ghumman	Managing Director	60.13%
Mr. Rajeev Ranjan	CFO	19.28%
Ms. Aarti Jassal	Company Secretary	14.54%

- (iii) the percentage increase in the median remuneration of employees in the financial year 2017-18: Median : 8.83 %.

- (iv) the number of permanent employees on the rolls of Company-307
- (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 increase in the remuneration of all the employees excluding KMP's: 11.90 %.

Justification: Increase in salary of KMP's is decided based on the Company's performance, individual performance, inflation, prevailing Industry trends and benchmarks.

(vi) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company hereby affirms that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo are given as under:

### **(A) Conservation of energy-**

- i) Some of the steps taken for conservation of energy are;
  - For reducing paper consumption internal communications / data sharing made compulsory within the organization through emails. Using back side of printed papers.
  - All lights changed to LED.
- ii) The steps taken by the Company for utilizing alternate sources of energy;
  - Plans to install solar lights surrounding the factory building.
  - Switching of Monitors during Lunch Break.
- iii) The capital investment on energy conservation equipment;
 

Nil

### **(B) Technology Absorption**

- i) the efforts made towards technology absorption;
  - Acquisition of latest technology for plating thickness measurement.
  - Automation of surface cleaning & OSP process.
  - Testing and simulation technology upgradation.
  - Acquisition of high precision measuring equipment for BMS shunts.
  - Planning to develop manufacturing / testing technology to meet technical cleanliness.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
  - Reduction in internal rejections and external customer complaints.
  - Improvement of production efficiency.
  - Development of new products.
  - Development and validation of new processes and process enhancements.
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - N.A.
  - The details of technology imported - N.A.
  - The year of import - N.A.
  - Whether the technology been fully absorbed- N.A.
  - If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; - N.A.



iv) The expenditure incurred on Research and Development.

- |  |                    |
|--|--------------------|
| • Capital Expenditure  | : Rs. 91.97 Lakhs  |
| • Recurring Expenditure                                      | : Rs. 53.89 Lakhs  |
| • Total  | : Rs. 145.86 Lakhs |
| • Total R & D expenditure as a percentage of total turnovers | : 0.90%            |

### (C) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Earnings in Foreign exchange : Rs. 7,895.57 Lakhs

Expenditure in Foreign currency : Rs. 7,595.17 Lakhs

Expenditure in Foreign currency on Capex : Rs. 142.13 Lakhs

### SIGNIFICANT/ MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

### GENERAL SHAREHOLDER INFORMATION

General Shareholder Information is given in the Report on Corporate Governance forming part of the Annual Report.

### ACKNOWLEDGEMENTS/ APPRECIATION

Your Directors would like to sincerely express their appreciation for co-operation received from the Company's Bankers, during the year under review, from time to time.

Your directors place on record their deep sense of appreciation for the commitment and dedication of all the Company's executives, staff and workers.

Your Directors also thank all the Govt. authorities, business associates, customers, vendors and the shareholders and all stakeholders for their continuous support and co-operation to the Company during the year.

By order of the Board  
**For Shivalik Bimetal Controls Limited**

Place : New Delhi  
Date : 23.08.2018

Sd/  
S.S. Sandhu  
Chairman  
DIN: 00002312  
302, Kings I, Royal Retreat,  
Charmswood Village, Suraj Kund,  
Faridabad, 121009, Haryana, India

### Registered Office:

16-18, New Electronics Complex, Chambaghat, Distt. Solan (H. P.) CIN: I27101HP1984PLC005862  
E-mail: investor@shivalikbimetals.com

## ANNEXURE "A"

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate and Joint Venture Companies

S. No.	Name of Joint Ventures/ Associates	Joint Ventures		Associate
		Checon Shivalik Contact Solutions Private Limited	Innovative Clad Solutions Private Limited	Shivalik Bimetal Engineers Private Limited
1.	<b>Latest audited Balance Sheet Date</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2018</b>
2.	<b>Date on which the Associate or Joint Venture was associated or acquired</b>	<b>01/12/2005</b>	<b>04/03/2008</b>	<b>27/02/2008</b>
3.	<b>Shares of Associate/Joint Ventures held by the company on the year end</b>			
	No.	17,10,900	1,51,20,000	2,22,750
	Amount of Investment in Associates/Joint Venture (₹ In Lakhs)	221.45	683.42	22.28
	Extend of Holding (%)	50%	16.01%	45%
4.	<b>Description of how there is significant influence</b>	<b>2(6)</b>	<b>2(6)</b>	<b>2(6)</b>
5.	<b>Reason why the associate/joint venture is not consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>	<b>Consolidated</b>
6.	<b>Net worth attributable to shareholding as per latest audited Balance Sheet</b>	<b>(Rs. In Lakhs)</b>		
		732.90	1850.88	135.97
7.	<b>Profit/Loss for the year</b>	<b>118.56</b>	<b>28.08</b>	<b>25.28</b>
	Considered in Consolidation	59.28	4.50	11.38
	Not Considered in Consolidation	59.28	23.58	13.90

For and on behalf of the Board

Sd/-  
Rajeev Ranjan  
CFO

Sd/-  
Aarti  
Company Secretary  
M. No.A25690

Sd/-  
N S Ghumman  
Managing Director  
DIN: 00002052

Sd/-  
S S Sandhu  
Chairman  
DIN: 00002312

Place : New Delhi  
Date : 23.08.2018



## ANNEXURE “B”

### Form No.MR-3 Secretarial Audit Report

[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]  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018

To,  
The Members,  
**SHIVALIK BIMETAL CONTROLS LIMITED**  
**16-18, New Electronics Complex, Chambaghat Distt. Solan,**  
**Himachal Pradesh-173213**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHIVALIK BIMETAL CONTROLS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder, as applicable;
- 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. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing.
- v. 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable to the Company during the Audit Period);
  - f. 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable to the Company during the Audit Period);
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);
- vi. As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to the industry generally, namely;
  - (a) Factories Act, 1948
  - (b) Payment of Wages Act, 1936, and rules made there under,

- (c) The Minimum Wages Act, 1948, and rules made there under,
- (d) Employees' State Insurance Act, 1948, and rules made there under,
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
- (f) The Payment of Bonus Act, 1965, and rules made there under,
- (g) Payment of Gratuity Act, 1972, and rules made there under,
- (h) The Water (Prevention and Control Pollution) Act, 1974.
- (i) The Air (Prevention and Control Pollution) Act, 1981,
- (j) Industrial Dispute Act, 1947,

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

- i. The Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, already entered into by the Company with BSE Limited.

**I further report that**, during the period under audit and review, as confirmed by the management the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

**I further report that**, based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary / Chief Financial Officer taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like Labour laws and Environmental laws etc.

**I further report that;**

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- 2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent with in prescribed limit, 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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I 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.

I further report that during the audit period the Company has not made any major changes in the following events/ actions in pursuance of the below law, rules, regulations and guidelines, except Bonus issue:

- i. Public/Right/Preferential issue of shares/debentures/sweat equity etc.
- ii. Redemption/Buy Back of securities
- iii. Major decision taken by the members in pursuance to Section 180 of the Companies Act, 2013
- iv. Merger/Amalgamation/Reconstruction etc.
- v. Foreign Technical Collaborations.

During the year under review, the Company has issued and allotted 19201400 bonus shares to the equity shareholders in the ratio of 1:1 (i.e. one fully paid equity share of Rs. 2/- each for one fully paid equity share).

For **R MIGLANI & CO.**  
Company Secretaries

Place: New Delhi  
Date: 23.08.2018

**Sd/-**  
**CS Rajni Miglani**  
Proprietor  
ACS: 30016  
C.O.P No: 11273

Note: - This report is to be read with the Annexure-A which is the integral part of this Report MR-3





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**Annexure- 1 of Form No. MR-3**

To,

The Members,

**SHIVALIK BIMETAL CONTROLS LIMITED**

**16-18, New Electronics Complex, Chambaghat Distt. Solan,**

**Himachal Pradesh-173213**

Report is to be read along with this letter.

1. Maintenance of Secretarial record 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. I have followed the audit practices and processes as we were 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.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and any other financial law applicable to the Company.
4. Whenever required, I have obtained the Management representation about the compliance of Laws, rules and regulation and happening of events etc.
5. The Compliance of the provision of Corporate and other applicable laws, rules, regulation, Standards is the responsibility of Management. My 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 efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R MIGLANI & CO.**

Company Secretaries

Place: New Delhi

Date: 23.08.2018

**Sd/-**

**CS Rajni Miglani**

Proprietor

ACS: 30016

C.O.P No: 11273

## ANNEXURE “ C ”

### FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

#### I. REGISTRATION & OTHER DETAILS:

1	CIN	<b>L27101HP1984PLC005862</b>
2	Registration Date	18/06/1984
3	Name of the Company	<b>SHIVALIK BIMETAL CONTROLS LIMITED</b>
4	Category/Sub-category of the Company	Public Company
5	Address of the Registered office & contact details	16-18, New Electronics Complex, Chambaghat, Distt. Solan-173213, Himachal Pradesh. Phone : +91-1792-230578, 230175, Fax : +91-1792-230475, 230578 E-mail : shivalik@shivalikbimetals.com, Website: www.shivalikbimetals.com
6	Whether listed company	Yes (Bombay Stock Exchange)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s MAS Services Ltd. T – 34, IInd Floor, Okhla Industrial Area, Phase – II, New Delhi-110020, Tel No.: (91) (11) 26387281, 266387282 Fax: (91) (11) 26387384 Email: info@masserv.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Thermostatic Bi-metal/Tri-metal Strips & Parts	24204	56.50%
2	Shunt (Resisters)	24201	43.05%
3	Job work for Indian Ordinance	24209	0.45%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	<b>CHECON SHIVALIK CONTACT SOLUTIONS PRIVATE LIMITED</b> H-2, Suneja Chambers, Alaknanda Commercial Complex, New Delhi-110019	U31909DL2005PTC143154	Joint Venture	50.00	2(6)
2	<b>SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED</b> H-2, Suneja Chambers, Alaknanda Commercial Complex, New Delhi-110019	U29220DL2008PTC174607	Associate	45.00	2(6)
3	<b>INNOVATIVE CLAD SOLUTIONS PRIVATE LIMITED</b> H-2, Suneja Chambers, Alaknanda Commercial Complex, New Delhi-110019	U27310DL2008PTC173950	Joint Venture	16.01	2(6)

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

##### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-04-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2971000	0	2971000	15.472	5706000	0	5706000	14.86	-0.612
b) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
c) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
d) Bodies Corp.	8905134	0	8905134	46.377	17810268	0	17810268	46.377	0.000
e) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
f) Any other	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub-total (A)(1):-</b>	<b>11876134</b>	<b>0</b>	<b>11876134</b>	<b>61.850</b>	<b>23516268</b>	<b>0</b>	<b>23516268</b>	<b>61.24</b>	<b>-0.612</b>
<b>(2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0.000	0	0	0	0.000	0.000
h) Other-Individuals	0	0	0	0.000	0	0	0	0.000	0.000
i) Bodies Corp.	0	0	0	0.000	0	0	0	0.000	0.000
j) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
k) Any other	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>Total shareholding of Promoter (A)</b>	<b>11876134</b>	<b>0</b>	<b>11876134</b>	<b>61.850</b>	<b>23516268</b>	<b>0</b>	<b>23516268</b>	<b>61.24</b>	<b>-0.612</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.000	0	0	0	0.000	0.000
b) Banks / FI	1000	0	1000	0.005	2000	0	2000	0.005	0.000
c) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
d) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
g) FIs	0	0	0	0.000	0	0	0	0.000	0.000
h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
i) Others (specify)	0	0	0	0.000	26506	0	26506	0.0069	0.000
<b>Sub-total (B)(1):-</b>	<b>1000</b>	<b>0</b>	<b>1000</b>	<b>0.005</b>	<b>28506</b>	<b>0</b>	<b>28506</b>	<b>0.0069</b>	<b>0.000</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	274050	3001	277051	1.442	579712	0	579712	1.51	0.207
ii) Overseas	0	0	0	0.000	0	0	0	0.000	0.000

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-04-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4554511	743800	5298311	27.593	9342055	1238551	10580606	27.55	-2.062
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1572105	0	1572105	8.187	2827226	0	2827226	7.36	2.474
c) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
			0	0.000			0	0.000	0.000
Non Resident Indians	49981	0	49981	0.260	449686	1000	450686	1.17	0.260
Overseas Corporate Bodies	0	0	0	0.000	0	0	0	0.000	0.000
Foreign Nationals	0	0	0	0.000	0	0	0	0.000	0.000
Clearing Members	125818	0	125818	0.655	<b>88755</b>	0	88755	0.23	-0.623
Trusts	1000	0	1000	0.005	2000	0	2000	0.005	0.000
Unclaimed or Suspense or Escrow Account	-	-	-	-	192041	0	192041	0.50	
IEPF	-	-	-	-	137000	0	137000	0.36	
Foreign Bodies - D R	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub-total (B)(2):-</b>	<b>6577465</b>	<b>746801</b>	<b>7324266</b>	<b>38.144</b>	<b>13618475</b>	<b>1239551</b>	<b>14858026</b>	<b>38.69</b>	<b>0.031</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>6578465</b>	<b>746801</b>	<b>7325266</b>	<b>38.149</b>	<b>13646981</b>	<b>1239551</b>	<b>14886532</b>	<b>38.77</b>	<b>0.000</b>
<b>(C) Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>Grand Total (A+B+C)</b>	<b>18454599</b>	<b>746801</b>	<b>19201400</b>	<b>100.000</b>	<b>37163249</b>	<b>746801</b>	<b>38402800</b>	<b>100.000</b>	<b>0.000</b>

#### B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	S. S. SANDHU	288000	1.500	0	576000	1.500	0	0.000
2	D. J. S. SANDHU	101000	0.526	0	101000	0.263	0	-0.263
3	N. S. GHUMMAN	1465000	7.629	0	2994000	7.796	0	0.167
4	MANJIT KAUR	83000	0.432	0	176000	0.458	0	0.026
5	SHANA GHUMMAN	12000	0.062	0	24000	0.062	0	0.000
6	GURDIAL KAUR	32000	0.167	0	0	0	0	-0.167
7	TEJINDERJEET KAUR GHUMMAN	296000	1.542	0	592000	1.542	0	0.000
8	SARITA SANDHU	216000	1.124	0	432000	1.124	0	0

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
9	GURBIR SANDHU	323000	1.682	0	501000	1.304	0	-0.378
10	ANGAD SANDHU	152000	0.792	0	304000	0.792	0	0.000
11	JASPAL SINGH DHILLON	2000	0.010	0	4000	0.010	0	0.000
13	SUMER GHUMMAN	1000	0.005	0	2000	0.005	0	0.000
14	O D FINANCE AND INVESTMENT PVT. LTD.	2488989	12.962	0	5046978	13.142	0	0.180
15	ULTRA PORTFOLIO MANAGEMENT PVT. LTD.	978590	5.096	0	1888180	4.916	0	-0.180
16	TSL HOLDINGS LIMITED	2790200	14.531	0	5580400	14.531	0	0.000
17	B.S.SANDHU AND ASSOCIATES PVT. LTD.	285200	1.485	0	570400	1.485	0	0.000
18	ANGAD ESTATES PVT. LTD.	1655000	8.619	0	3310000	8.619	0	0.000
19	AMAR ENGINEERING COMPANY PVT. LTD.	707155	3.683	0	1414310	3.683	0	0.000
	<b>Total</b>	<b>11876134</b>	<b>61.850</b>	<b>0</b>	<b>23516268</b>	<b>61.235</b>	<b>0</b>	<b>-0.615</b>

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.		11876134	61.850	23516268	61.235
a) There is minor change in promoter's shareholding due to sell of shares by Mrs. Gurbir Sandhu and Mr. D.J.S Sandhu.					
b) Company has allotted/issued Bonus shares in ratio of 1:1 vide its Board meeting held on 09 <sup>th</sup> October, 2017.					

**D) Shareholding Pattern of top ten Shareholders:**

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

S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	MAHENDRA CHANDULAL DHARU	31-MARCH-2017	174639	0.910			174639	0.910
		06-OCT-2017				89651	264290	1.376
		13-OCT-2017				251677	515967	1.344
		05-JAN-2018				6851	522818	1.361

S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
		02-FEB-2018			299		522519	1.361
		21-FEB-2018			2549		519970	1.354
		02-MARCH-2018			714		519256	1.352
		09-MARCH-2018			2900		516356	1.345
		30-MARCH-2018			500		515856	1.343
		31-MARCH-2018					515856	1.343
2	PREMILABEN MAHENDRAKUMAR DHARU	31-MARCH-2017	139871	0.728			139871	0.728
		13-OCT-2017				139871	279742	0.728
		05-JAN-2018				102808	382550	0.996
		26-JAN-2018				1027	383577	0.999
		23-MAR-2018				5764	389341	1.014
		30-MAR-2018				3753	393094	1.024
		31-MAR-2018					393094	1.024
3	JAGRUTI YOGESH BHOJAK	31-MAR-2017	67352	0.351			67352	0.351
		28-APR-2017				1000	68352	0.356
		05-MAY-2017				2450	70802	0.369
		19-MAY-2017				50	70852	0.369
		02-JUN-2017				1000	71852	0.374
		30-JUN-2017				50	71902	0.374
		15-SEP-2017			2000		69902	0.364
		20-SEP-2017				1401	71303	0.371
		30-SEP-2017			1500		69803	0.364
		13-OCT-2017				71637	141440	0.368
		27-OCT-2017				21	141461	0.368
		22-DEC-2017				4	141465	0.368
		05-JAN-2018			1000		140465	0.366
		02-FEB-2018			400		140065	0.365
		30-MAR-2018				850	140915	0.367
		31-MAR-2018					140915	0.367
4	SHIVALIK BIMETAL CONTROLS LTD- UNCLAIMED SUSPENSE ACCOUNT	31-MAR-2017	121000	0.630			121000	0.630
		13-OCT-2017				121000	242000	0.630
		08-DEC-2017			101000		141000	0.367
		21-FEB-2018			4000		137000	0.357
		31-MAR-2018					137000	0.357
5	KESHAV GARG	31-MAR-2017	82000	0.427			82000	0.427
		07-APR-2017				500	82500	0.430
		14-APR-2017				2500	85000	0.443
		21-APR-2017				9385	94385	0.492
		28-APR-2017				115	94500	0.492
		12-MAY-2017				1697	96197	0.501

S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
		19-MAY-2017				1000	97197	0.506
		26-MAY-2017				1803	99000	0.516
		30-JUNE-2017				3500	102500	0.534
		11-AUG-2017				1500	104000	0.542
		13-OCT-2017				104000	208000	0.542
		31-MAR-2018					208000	0.542
6	RAJIV GARG	31-MAR-2017	0	0			43500	0.227
		07-APR-2017				1500	45000	0.234
		26-MAY-2017				5000	50000	0.260
		30-JUN-2017				4102	54102	0.282
		07-JUL-2017				1969	56071	0.292
		21-JUL-2017				929	57000	0.297
		28-JUL-2017				4000	61000	0.318
		11-AUG-2017				2565	63565	0.331
		18-AUG-2017				3435	67000	0.349
		13-OCT-2017				67000	134000	0.349
		31-MAR-2018					134000	0.349
7	BHAVANA GOVINDBHAI DESAI	21-APR-2017	183000	0.953			183000	0.953
		13-OCT-2017				183000	366000	0.953
		31-MAR-2018					366000	0.953
8	SUNIL KUMAR GUPTA	31-MAR-2017	0	0			80000	0.417
		26-MAY-2017			5000		75000	0.391
		08-SEP-2017			5000		70000	0.365
		22-SEP-2017			6575		63425	0.330
		30-SEP-2017			15925		47500	0.247
		06-OCT-2017				2500	50000	0.260
		13-OCT-2017				50000	100000	0.260
		05-JAN-2018			10000		90000	0.234
		09-FEB-2018			10000		80000	0.208
		31-MAR-2018					80000	0.208
9	NAVEEN BOTHRA	31-MAR-2017	0	0			0	0
		20-SEP-2017					10000	0.052
		30-SEP-2017				2000	12000	0.062
		13-OCT-2017				12000	24000	0.062
		03-NOV-2017				5000	29000	0.076
		01-DEC-2017				25000	54000	0.141
		08-DEC-2017				25000	79000	0.206
		15-DEC-2017				25000	104000	0.271
		29-DEC-2017				30000	134000	0.349
		19-JAN-2018				25000	159000	0.414



S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
10	VIDHYA VASANT	16-MAR-2018			9000		150000	0.391
		31-MAR-2018					150000	0.391
		31-MAR-2017	108951	0.567			108951	0.567
		08-SEP-2017				702	109653	0.571
		20-SEP-2017			6650		103003	0.536
		30-SEP-2017				6300	109303	0.569
		13-OCT-2017				109303	218606	0.569
		15-DEC-2017			7651		210955	0.549
		26-JAN-2018			45279		165676	0.431
		02-FEB-2018			10450		155226	0.404
		16-FEB-2018			38921		116305	0.303
		31-MAR-2018					116305	0.303
11	BHARATI BHARAT DATTANI	31-MAR-2017	115925	0.604			115925	0.604
		20-SEP-2017			30900		85025	0.443
		22-SEP-2017			31455		53570	0.279
		30-SEP-2017			8914		44656	0.233
		06-OCT-2017			14212		30444	0.159
		13-OCT-2017				23444	53888	0.140
		10-NOV-2017			3309		50579	0.132
		17-NOV-2017			6329		44250	0.115
		24-NOV-2017			14000		30250	0.079
		31-MAR-2018					30250	0.079

**E) Shareholding of Directors and Key Managerial Personnel:**

S. N.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. S. S. Sandhu</b>				
	At the beginning of the year	288000	1.50	288000	1.50
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	288000 (Shares allotted under Bonus Issue on 09 <sup>th</sup> October, 2017)	1.50		
	At the end of the year	576000	1.50	576000	1.50

S. N.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	<b>Mr. N. S. Ghumman</b>				
	At the beginning of the year	1465000	7.63	1465000	7.63
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	1465000 (Shares allotted under Bonus Issue on 09 <sup>th</sup> October, 2017)	7.62	0	0
		64000 (Late Gurdial Kaur Shares has been transmitted in the name of Mr. N.S. Ghumman) (son of deceased)	0.167	-	-
	At the end of the year	2994000	7.80	2994000	7.80

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2449.49	483.72	-	2933.21
ii) Interest due but not paid	2.70	-	-	2.70
iii) Interest accrued but not due	5.66	1.49	-	7.15
<b>Total (i+ii+iii)</b>	2457.85	485.21	-	2943.06
<b>Change in Indebtedness during the financial year</b>				
* Addition	374.08	670.35	-	1044.43
* Reduction	(153.50)	(232.11)	-	(385.61)
<b>Net Change</b>	220.58	438.24	-	658.82
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2670.62	919.10	-	3589.72
ii) Interest due but not paid	2.08	-	-	2.08
iii) Interest accrued but not due	5.73	4.35	-	10.08
<b>Total (i+ii+iii)</b>	2678.43	923.45	-	3601.88

\*Addition and reduction includes an amount of Rs. 12.17 lakhs and Rs. 9.58 Lakhs respectively towards interest accrued.

## VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lakhs)

SN.	Particulars of Remuneration	Name of MD/WTM/ Manager		Amount
		Mr. S.S. Sandhu	Mr. N.S. Ghumman	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	167.26	167.26	334.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14.23	14.27	28.50
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	181.49*	181.53*	363.02*
	Ceiling as per the Act	168.00	168.00	336.00

\*An application is filed with Central Government seeking approval for the remuneration payable to Mr. S.S. Sandhu and Mr. N.S. Ghumman as per the applicable provisions of the Companies Act, 2013.

### B. Remuneration to other directors

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Rohit Kapur	Mr. G. S. Gill	Mr. N. J. S. Gill	Lt. Gen. Pradeep Khanna (Retd.)	Capt. J. S. Mann (Retd.)	Mrs. Harpreet Kaur	
1	Independent Directors	10,000	12,000	12,000	10,000	10,000	10,000	64,000
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	10,000	12,000	12,000	10,000	10,000	10,000	64,000
	Total (1)	-	-	-	-	-	-	-

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Rohit Kapur	Mr. G. S. Gill	Mr. N. J. S. Gill	Lt. Gen. Pradeep Khanna (Retd.)	Capt. J. S. Mann (Retd.)	Mrs. Harpreet Kaur	
2	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	10,000	12,000	12,000	10,000	10,000	10,000	64,000
	Total (B) = (1+2)	10,000	12,000	12,000	10,000	10,000	10,000	64,000
	Total Managerial Remuneration	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits
	Overall Ceiling as per the Act	10,000	12,000	12,000	10,000	10,000	10,000	64,000

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

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NA			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	8,67,109	16,09,512	24,76,621
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	38,958	1,00,231	1,39,189
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	NA	Nil	Nil	Nil
3	Sweat Equity	NA	Nil	Nil	Nil
4	Commission	NA	Nil	Nil	Nil
	- as % of profit	NA	Nil	Nil	Nil
	others, specify...	NA	Nil	Nil	Nil
5	Others, please specify-Contribution to G. Trust	NA	11, 678	36,235	47,913
	Total		9,17,745	17,45,978	26,63,723

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

Not Applicable

By order of the Board  
For Shivalik Bimetal Controls Limited

Place : New Delhi  
Date : 23.08.2018

Sd/  
S.S. Sandhu  
Chairman  
DIN: 00002312  
302, Kings I, Royal Retreat,  
Charmswood Village, Suraj Kund,  
Faridabad, 121009, Haryana, India

### Registered Office:

16-18, New Electronics Complex, Chambaghat, Distt.  
Solani (H. P.) CIN: L27101HP1984PLC005862  
e-mail: investor@shivalikbimetals.com

## ANNEXURE “D”

### CORPORATE GOVERNANCE REPORT

#### The Directors present the Company’s Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2018

#### 1. Company Philosophy on Code of Corporate Governance

Your Company firmly believes that good Corporate Governance practices are ingredients for the balanced development of an organization and that they not only maximize the shareholder’s value but also contribute to the sustained and long lasting development of the organization. The Board of Directors believes in ethical values and high moral standards for achieving the highest standards of Corporate Governance.

Corporate Governance involves commitment to conduct the business in a fair, transparent and ethical manner, aimed at promoting sustainable business and enhancing shareholders’ value in the long term. SHIVALIK is committed to achieve and maintain the highest standards of Corporate Governance. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices. We believe that Corporate Governance is a continuous journey for sustainable value creation for all the stakeholders driven by our values of Integrity, Commitment, Passion, Seamlessness and Speed.

The Securities & Exchange Board of India (SEBI) has notified Corporate Governance provisions and as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“LODR Regulations, 2015”) the Company has been complying with these provisions effectively. Your Company acknowledges and believes that all its actions must serve the main goal of enhancing overall shareholder value on a sustained basis.

#### 2. Board of Directors

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-executive professional Directors. The Board currently comprises of 8 (Eight) of which 2 (Two) Executive Directors and 6 (Six) are Non-Executive Directors including 1 (one) Woman Director. All the Independent Directors have confirmed that they meet the “Independence” criteria as mentioned under the Regulation 25 of the Listing Regulations as on 31<sup>st</sup> March, 2018. The composition of the Board is in conformity with Regulation 17 of the LODR Regulations, 2015.

- a) The names and categories of the Directors on the Board along with their attendance at the Board meetings held during the year ended 31<sup>st</sup> March, 2018 and at the last Annual General Meeting, and the number of other Directorship and Chairmanship /Membership of Committees held by them in both listed and unlisted companies is given below:

Name and Designation	Category (i.e. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director)	No. of Board Meetings attended (Out of 6 meetings held)	*Number of other Boards in which he / she is a Director or Chairperson	**Number of other Board Committee(s) in which he / she is a Member or Chairperson		Attendance at the last AGM (held on 27 <sup>th</sup> September, 2017)
				Committee Membership	Committee Chairperson	
Mr. S. S. Sandhu (Chairman)	Executive Director	6	2	-	-	Yes
Mr. N.S. Ghumman (Managing Director)	Executive Director	5	-	-	-	Yes
Mr. Gurmeet Singh Gill (Director)	Non-Executive and Non Independent	6	-	-	-	Yes
Mrs. Harpreet Kaur (Director)	Non-Executive and Non Independent	5	-	-	-	No
Mr. Nirmaljeet Singh Gill (Director)	Non-Executive and Independent	6	-	-	-	Yes

Mr. Rohit Kapur (Director)	Non-Executive and Independent	5	-	-	-	No
Lt. Gen. Pradeep Khanna (Retd.) (Director)	Non-Executive and Independent	5	-	-	-	Yes
Capt. Jitender Singh Mann (Retd.) (Director)	Non-Executive and Independent	5	-	-	-	No

\* This includes Directorship in public limited companies (including subsidiaries of public limited companies) and excludes Directorship in associations, private, foreign and Section 8 companies.

\*\* Represents Chairmanship/Membership of Audit Committee and Stakeholder Relationship (Shareholders'/Investors' Grievance) Committee. This includes Chairmanship/Membership in public limited companies (including subsidiaries of public limited companies) and excludes Chairmanship/Membership in private, foreign and Section 8 companies.

**Notes:**

- (i) None of the Independent Directors are holding Directorships in more than seven listed companies.
- (ii) None of the Functional Directors are acting as Independent Director in any listed company.
- (iii) The company has not issued any convertible instruments.

**b) Number of Board Meetings**

The Board meets at regular intervals to review the performance of the Company. During the year under review, besides meeting of Committee of Directors, Six (6) Board Meetings were held on 25<sup>th</sup> May, 2017, 23<sup>rd</sup> August, 2017, 13<sup>th</sup> September, 2017, 09<sup>th</sup> October, 2017, 11<sup>th</sup> December, 2017 and 08<sup>th</sup> February, 2018. The maximum gap between any two Board meetings was less than 120 days.

**c) Board Procedure**

The meetings of the Board of Directors are generally held at the Company's Head office in New Delhi. The meetings are generally scheduled well in advance. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the quarterly performance and the financial results. The time gap between two meetings was not more than 120 days. The agenda for the meetings is prepared by the concerned officials, and approved by Chairman. The Board papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarification as and when required.

In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. The members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.

**d) Separate Meeting of Independent Directors**

A separate meeting of Independent Directors was held on 08<sup>th</sup> February, 2018 without the attendance of Non Independent Directors and members of the Management as required under Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors attended the meeting.



**e) Familiarization Programme**

The Company through its Managing Director / Executive Directors / Senior Management Personnel makes presentations regularly to the Board, Audit Committee or such other Committees, as may be required, covering, inter alia, business environmental, business strategies, operations review, quarterly and annual results, budgets, review of Internal Audit Report and Action Taken, statutory compliance, risk management, etc.

In Compliance of Regulation 46(2) (i) of LODR Regulations 2015, Familiarization Programme as Organized by the Company in terms of Regulation 25(7) of LODR Regulations 2015 (earlier Clause 49(II)(B)(7)(a) of the Listing Agreement) are appearing on the website of the Company (in investor relations section under corporate governance section) at the web link <http://www.shivalikbimetals.com/images/pdf/familiarisation-programme-for-independent-directors.pdf>.

**f) Performance Evaluation**

A formal evaluation mechanism is in place for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation was done based on the criteria which includes, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees. The Directors expressed their satisfaction with the evaluation process.

**g) Code of Conduct**

The Board of Directors has adopted and laid down the Code of Conduct for all Directors and Senior Management Personnel. The Code is posted and available at the website of the Company <http://www.shivalikbimetals.com/aboutus.php?pageId=8>. The members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended on 31<sup>st</sup> March, 2018. The Annual Report of the Company contains a declaration by the Chairman and Whole Time Director in terms of para D of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 based on the compliance declarations received from the Board and Senior Management.

**h) Compliance Reports**

To the best of the knowledge and belief, the Company is complying with all applicable laws as on date. The Board has reviewed Compliance Report of all Laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances.

**i) Code of Conduct for Prevention of Insider Trading**

In compliance with the SEBI Regulations on prevention of Insider trading, the Company has adopted a code of conduct for its Directors and designated employees. The code lays down guidelines which included procedures to be followed and disclosures to be made while dealing with the shares of the Company. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at <http://www.shivalikbimetals.com/about-us.php?pageId=32>.

**j) Materially Significant Related Party Transactions**

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

**k) Details of establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation that no personnel has been denied access to the Audit Committee.**

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Company has adopted a Vigil Mechanism policy in order to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practice, acts or activities. The reportable matter may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The policy has been also put up on the website of the Company at <http://www.shivalikbimetals.com/images/pdf/wistle-blower-policy-sbcl.pdf>.

### **l) Policy for Preservation of Documents**

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy is available on our website at <http://www.shivalikbimetals.com/images/pdf/policy-on-preservation-of-documents-and-archival.PDF>.

### **m) Disclosure Policy**

In line with requirements under regulation 30 of the SEBI Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the listing Regulations, which is available on our website at <http://www.shivalikbimetals.com/images/pdf/policy-on-criteria-for-determining-materiality-of-events.PDF>. The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an ongoing basis.

### **n) Role of Company Secretary in overall governance process**

The Company Secretary plays a key role in ensuring that the Board and Committees procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision making at the Meetings. The Company Secretary is primarily responsible for assisting and advising the Board in conducting the affairs of the Company, to ensure the compliances with applicable statutory requirements, to provide guidance to Directors and to facilitate convening of Meetings. The Company Secretary interfaces between the Management and regulatory authority for governance matters.

## **3. Committees of the Board of Directors**

The Board of Directors has constituted following Committees of Directors with adequate delegation of powers to discharge urgent business of the Company:

- i. Audit Committee
- ii. Stakeholders Relationship & Share Transfer Committee
- iii. Nomination & Remuneration Committee
- iv. Corporate Social Responsibility Committee

The detailed terms of reference, composition and other details of the Committees are as under:

### **i. AUDIT COMMITTEE**

Composition and attendance of the members of the Audit Committee

In terms of LODR Regulations, 2015, read with Section 177 of the Companies Act, 2013, during the period under review, an Audit Committee comprised of Mr. Nirmaljeet Singh Gill, Chairman (an Non-Executive & Independent Director), Lt. Gen. Pradeep Khanna (Retd.), Mr. Rohit Kapur and Mr. S.S. Sandhu, as members.

During the period under review, the Board has made a slight change in the composition of Audit Committee i.e Mr. Rohit Kapur has been appointed as the Chairman of this committee in place of Mr. N.J.S Gill w.e.f. 11<sup>th</sup> December, 2017.

As on 31<sup>st</sup> March, 2018, the Audit Committee comprised of Mr. Rohit Kapur, Chairman (an Non-Executive & Independent Director), Lt. Gen. Pradeep Khanna (Retd.), Mr. Nirmaljeet Singh Gill and Mr. S.S. Sandhu, as members.

Two-third of the members of the Audit Committee are Independent Directors and all the members of the Audit Committee have accounting or financial Management expertise. The Company Secretary of the Company acts as the Secretary of the Committee.

The Audit Committee meets at least 4 (four) times in a year and not more than 120 days gap between two meetings. Accordingly, the Audit Committee during the FY 2017-18, met 5 (five) times on 24<sup>th</sup> May, 2017, 22<sup>nd</sup> August, 2017, 13<sup>th</sup> September, 2017, 11<sup>th</sup> December, 2017 and 07<sup>th</sup> February, 2018.

The composition and attendance record of the members of the Audit Committee for the FY 2017-18 is as follows:

S. No.	Name of Members	Designation	No. of Meeting held during the Year	No. of Meeting attended during the year
1	Mr. Rohit Kapur*	Chairman	5	4
2	Mr. S. S. Sandhu	Member	5	5
3	Mr. Nirmaljeet Singh Gill	Member	5	5
4	Lt. Gen. Pradeep Khanna (Retd.)	Member	5	5

\*Mr. Rohit Kapur Independent Directors of the Company have been appointed as the Chairman of this Committee w.e.f. 11.12.2017 in place of Mr. Nirmaljeet Singh Gill.

### Terms of Reference

Terms of Reference and role of the Audit Committee includes the matters specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Broad terms of reference includes: oversights of financial reporting process, review financial results and related information, approval of related party transactions, review internal financial controls and risk management, evaluate performance of statutory and internal auditors, audit process, relevant compliances, appointment and payments to statutory auditors etc.

The Committee has extensive powers and has access to all requisite information of the Company. The role of the Audit Committee in details includes:

- Review of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management the financial statements before submission to the Board for approval.
- Reviewing with management, statutory and internal auditors, the adequacy of internal control systems and internal audit function.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external/ statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing the functioning of Whistle Blower mechanism in the Company.
- Considering such other matters the Board may specify.

### ii. STAKEHOLDERS RELATIONSHIP AND SHARE TRANSFER COMMITTEE

The 'Stakeholders Relationship and Share Transfer Committee' (Stakeholder Committee) was constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stakeholder Committee is primarily responsible to review all matters connected with the Company's transfer of

securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading. The Stakeholder Committee composition and the terms of reference meet with the requirements of Listing Regulations and provisions of the Companies Act, 2013.

During the period under review, the Board has made a slight change in the composition of Stakeholder Committee i.e Mr. Rohit Kapur and Mrs. Harpreet Kaur has been appointed as the member of the Committee and Mr. N.J.S Gill ceased to be a member of this committee w.e.f. 11<sup>th</sup> December, 2017

As on 31<sup>st</sup> March, 2018, the Stakeholder Committee comprised of Mr. Rohit Kapur, Chairman (an Non-Executive & Independent Director), Mrs. Harpreet Kaur, Mr. S.S. Sandhu and Mr. N.S. Ghumman as members. The quorum of the Committee is two members. The Company Secretary is the Secretary of the 'Stakeholder Committee'

Terms of Reference of the Committee to the extent applicable, inter -alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities;
- Approve the issue of the Company's duplicate share certificates;
- Monitor redressal of investors' /shareholders'/security holders' grievances;
- Oversee the performance of the Company's Registrar and Share Transfer Agents;
- Recommend methods to upgrade the standard of services to investors;
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading;
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification /amendment or modification as may be applicable.

During the FY 2017-18, (7) Seven Stakeholder Committee meeting has been held on 17<sup>th</sup> July, 2017, 30<sup>th</sup> October, 2017, 18<sup>th</sup> December, 2017, 09<sup>th</sup> February, 2018, 19<sup>th</sup> February, 2018, 19<sup>th</sup> March, 2018 and 26<sup>th</sup> March, 2018 . Attendance at Stakeholders Relationship Committee:

<b>Name of the Member</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Mr. Rohit Kapur**	7	5
Mr. S. S. Sandhu	7	5
Mr. N. S. Ghumman	7	7
Mr. Nirmaljeet Singh Gill*	7	2
Mrs. Harpreet Kaur***	7	4

\* Mr. Nirmaljeet Singh Gill ceased to be a Member of the Committee w.e.f. 11.12.2017.

\*\*Mr. Rohit Kapur Independent Directors of the Company, have been appointed as the Chairman of this Committee w.e.f.11.12.2017

\*\*\* Mrs. Harpreet Kaur, Non-Executive Director of the Company, have been appointed as the member of the Committee w.e.f. 11.12.2017

M/s MAS Services Limited, New Delhi, is the Registrar & Share Transfer Agent of the Company. Mrs. Aarti Jassal, Company Secretary is the Compliance Officer of the Company.

Details of queries /complaints received from Shareholders/Investors during the year 2017-18. The details of shareholders grievance are as follows:

- No. of Complaints received during the year – 2
- No. of Complaints resolved during the year - 2
- Pending Complaints at the end of the Financial Year – NIL

### iii. **NOMINATION & REMUNERATION COMMITTEE**

As per Section 178 of the Companies Act, 2013 and rules made thereunder and Regulation 19 of the LODR Regulations 2015, the Company has a duly constituted Nomination and Remuneration Committee's ("NRC").

The terms of reference of the NRC inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
- To carry out evaluation of every Director's performance; To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- To carry out any other function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modification, as may be applicable.

In addition to the above, NRC will carry out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.

During the period under review, the Board has made a slight change in the composition of NRC i.e Mr. Rohit Kapur has been appointed as Chairman of this committee in place of Mr. Nirmaljeet Singh Gill w.e.f. 11<sup>th</sup> December, 2017

As on 31<sup>st</sup> March, 2018, the NRC comprised of Mr. Rohit Kapur, Chairman (an Non-Executive & Independent Director), Mr. Nirmaljeet Singh Gill and Lt. Gen. Pradeep Khanna as members. The quorum of the Committee is two members. The Company Secretary is the Secretary of the 'NRC'.

During the Financial Year 2017-18, 1 (One) NRC meetings were held on 22<sup>nd</sup> August, 2017.

Attendance at Nomination & Remuneration Committee Meeting:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Rohit Kapur*	1	1
Mr. Nirmaljeet Singh Gill	1	1
Lt. Gen. Pradeep Khanna	1	1

\*Mr. Rohit Kapur Independent Directors of the Company, have been appointed as the Chairman of this Committee w.e.f. 11.12.2017

#### iv. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has a duly constituted Corporate Social Responsibility ("CSR") Committee as per the requirement of Section 135 of the Companies Act 2013.

The brief terms of reference of the Committee are as follows:

- Formulate and recommended to the Board, a CSR Policy.
- Recommend to the Board CSR activities to be undertaken by the Company.
- Monitor the CSR policy of the Company from time to time and ensure its Compliance.
- Submit to the Board its report giving status of the CSR activities undertaken, expenditure incurred and such other details as may be required by it.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

The CSR Committee of your Company consists of 3 (Three) Directors namely Mr. S.S. Sandhu, Chairman, Mr. N.S. Ghuman, Managing Director and Lt. Gen. Pradeep Khanna (Retd.), Non-Executive & Independent Director. Mr. S.S. Sandhu, Chairman, is the Chairman of the CSR Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

During the FY 2017-18, 2 (Two) CSR Committee Meeting was held on 24<sup>th</sup> May, 2017 and 31<sup>st</sup> March, 2018. Attendance at CSR Committee Meeting:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. S.S. Sandhu	2	2
Mr. N.S. Ghumman	2	2
Lt. Gen. Pradeep Khanna (Retd.)	2	2

#### 4. Remuneration of Directors

Your Company has 2 (Two) Executive Directors. The Board of Directors decides the remuneration of the Managing Director and Chairman, Whole Time Director.

The Company has a system where all the Directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made by the Non-Executive Directors with the Company during the year.

The Independent Non-Executive Directors are paid sitting fee of INR 2000/- per Board meeting for attending the Board, if any.

Executive Director is paid remuneration within the limits envisaged under Schedule V of the Companies Act, 2013. The said remuneration is approved by the Board within the limits set by the Shareholders of the Company.

The details of Remuneration, fees paid etc. to Directors for the year ended 31<sup>st</sup> March, 2018

##### a) Non- Executive Directors

S.No.	Name of the Director	Sitting fees
1	Mr. Rohit Kapur	10,000
2	Mr. Nirmaljeet Singh Gill	12,000
3	Lt. Gen. Pradeep Khanna (Retd.)	10000
4	Capt. Jitender Singh Mann (Retd.)	10,000
5	Mrs. Harpreet Kaur	10,000
6	Mr. Gurmeet Singh Gill	12,000

\*Mr. Nirmaljeet Singh Gill and Mr. Gurmeet Singh Gill are related to each other (Brothers). Except the above mentioned no one is related to each other.

##### b) Paid to Executive Directors:

S.No.	Name of the Director	Salaries & Allowances	Contribution to PF	Other Benefits	Total
1	Mr. S.S. Sandhu	1,67,26,000	13,38,080	84,576	1,81,48,656
2	Mr. N.S. Ghumman	1,67,26,000	13,38,080	89,002	1,81,53,082

All Directors have disclosed their shareholding in the Company. Details of Shareholding of Directors as on 31<sup>st</sup> March, 2018 are as follows:

S.No.	Name of the Director	No. of shares holds	% of shareholding
1	Mr. S.S. Sandhu	576000	1.50
2	Mr. N.S. Ghumman	2994000	7.80

**Details of Equity shares of the Company held by the Independent Directors as on 31<sup>st</sup> March, 2018 are given below:** None of the Independent Directors held any Shares in Shivalik Bimetal Controls Limited as on 31<sup>st</sup> March, 2018.





## 5. DISCLOSURES

### a) Non-Compliances/Strictures/penalties Imposed

The Company has complied with the various requirements of the Stock Exchange, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by Stock Exchange, SEBI and Statutory Authority relating to the above.

### b) Disclosure of Accounting Treatment

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2018 has been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31<sup>st</sup> March, 2018.

### c) "Material" subsidiary

The Company does not have any material listed/unlisted subsidiary companies as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### d) Risk Management

The Company has in place a mechanism to inform the Board members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.

### e) Management Discussion and Analysis

The Management Discussion and Analysis forms the part of the Annual Report and is given Separately.

### f) Disclosure of commodity price risks and commodity hedging activities

None

### g) Inter-se relationship between Directors of the Company.

None

### h) Compliances

All Returns/Reports were generally filed within the stipulated time with the Stock Exchange other authorities. This Corporate Governance Report of the Company for the year ended 31<sup>st</sup> March, 2018, are in compliance with the requirements Part C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The status of Adoption of the non-mandatory requirements as specified in Sub- Regulation 1 of Regulation 27 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as follows:-

- The Board: the Chairman of the Company is Executive Chairman;
- Position of the Chairman and Managing Director are held by separate individuals.
- Shareholder Rights: Half yearly and other quarterly financial statements are published in Newspapers, uploaded on the Company's Website [www.shivalikbimetals.com](http://www.shivalikbimetals.com).
- Modified opinion(s) in audit report: The Audit Report does not contain any qualifications.
- Reporting of Internal Auditor: The Internal Auditors of the Company reports to the Audit Committee.

## 6. GENERAL MEETINGS

### A) Annual General Meetings (AGM)

The details of last three Annual General Meetings are as mentioned below:

Year	2014-15	2015-16	2016-17
Date	23 <sup>rd</sup> September, 2015	20 <sup>th</sup> September, 2016	27 <sup>th</sup> September, 2017



Year	2014-15	2015-16	2016-17
Time	10.00 AM	10.00 AM	10.00 AM
Venue	Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)	Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)	Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts) Solan (H.P.)- 173212
Special Resolutions		<p>1. To consider adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.</p> <p>2. Re-appointment &amp; revision in remuneration of Mr. N.S. Ghumman, as Managing Director of the Company &amp; fixation of remuneration.</p> <p>3. Revision in Managerial remuneration of Mr. S.S. Sandhu, as Whole Time Director of the Company.</p>	<p>1. To approve the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2018</p> <p>2. To approve the Alteration in the Articles of Association of the Company.</p> <p>3. To consider the revision in the remuneration &amp; the re-appointment of Mr. S.S. Sandhu as Chairman &amp; Whole Time Director of the Company.</p> <p>4. To consider the revision in the remuneration of Mr. N.S. Ghumman as Managing Director of the Company.</p> <p>5. To approve the enhancement in prescribed limit of remuneration payable to Related Parties appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company.</p> <p>6. To approve the appointment of Mr. Nirmaljeet Singh Gill (DIN: 00007425) as an Independent Director of the Company.</p> <p>7. To approve the appointment of Mr. Rohit Kapur (DIN: 00007721) as an Independent Director of the Company.</p> <p>8. To approve the appointment of Capt. Jitender Singh Mann (Retd.) (DIN: 06659626) as an Independent Director of the Company.</p> <p>9. To approve the appointment of Lt. Gen. Pradeep Khanna (Retd.) (DIN: 06668919) as Independent Director of the Company.</p> <p>10. To approve the issue of Bonus shares.</p>

## B) Extra-Ordinary General Meeting (EGM)

During the year under review, No Extra-ordinary General Meeting was held.

## 7. MEANS OF COMMUNICATION

The Company provides un-audited as well as audited financial results to the stock exchanges immediately after being approved by the Board. The quarterly, half yearly and annual results of the Company are published in one English daily newspaper (The Financial Express) and one Hindi newspaper (Jan Satta).

The Company's shareholding pattern, financial results, Code of Conduct, AGM Notice, Annual Reports, details of unclaimed dividends under the head - Investor Education Protection Fund ("IEPF"), Corporate Governance Reports, Corporate Social Responsibility Policy, Details of familiarization programmes for Independent Directors, Vigil Mechanism (including Whistle Blower Mechanism Policy), Terms and Conditions for appointment of an Independent Director, Policy on Dealing with Related Party Transactions, Investor Contact details etc. and other information as required under applicable provisions of the Companies Act, 2013 read with rules made thereunder and LODR Regulations 2015 including Regulation 46(2)(n) are being displayed at Company's website [www.shivalikbimetals.com](http://www.shivalikbimetals.com). (in investor relations section). The Company also have exclusive e-mail ID i.e. [investor@shivalikbimetals.com](mailto:investor@shivalikbimetals.com) for investor's to contact the Company in case of any information and grievances.

No presentations were made by the Company to the analysts or to the institutional investors.

## 8. MD/CFO Certification

Managing Director and Chief Financial Officer (CFO) Certification, on financial statements is issued pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is annexed to the Corporate Governance report and forms part of the Annual Report.

## 9. GENERAL SHAREHOLDERS INFORMATION

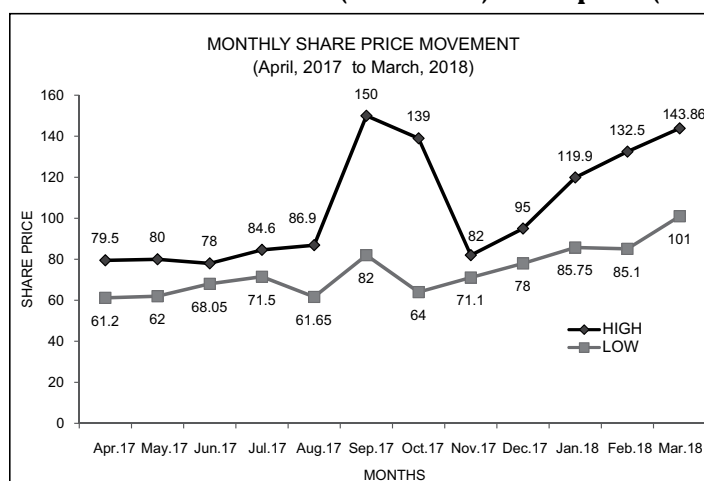
### a)

1.	Annual General Meeting Day, Date, Time and Venue	Thursday, 27 <sup>th</sup> day of September, 2018 at 10.30 AM at 4th Floor, Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts) Solan (H.P.)-173212
2.	Financial Year	April 01 to March 31
3.	Dates of Book Closure	21 <sup>st</sup> September, 2018 to 27 <sup>th</sup> September, 2018.
4.	Dividend	Interim Dividend- (15%) 0.30 paise every one equity shares of 2/- each. Final Dividend- (15%) 0.30 paise every one equity shares of 2/- each.
5.	Dividend Payment date	Interim: 06 <sup>th</sup> March, 2018. Final Dividend- On or before 25 <sup>th</sup> October, 2018, subject to shareholders' approval.
6.	Financial Calendar	Financial reporting for the quarter ending June 30, 2018 -Within 45 days from the end of quarter Sep 30, 2018 Within 45 days from the end of quarter Dec 31, 2018 Within 45 days from the end of quarter Mar 31, 2019 Within 60 days from the end of the year
7.	Listing on Stock Exchanges	BSE Limited. The Listing fees for the Financial Year 2017-18 has been paid to the Exchange.
8.	Corporate Identification Number (CIN) of the Company	L27101HP1984PLC005862
9.	Payment of Depository Fees	Annual Custody /Issuer fees for the year 2018 -19 has been paid by the Company to Central Depository Services Limited (CDSL) and will be paid to National Securities Depository Limited (NSDL) on receipt of the invoice.
10.	Stock Code	BSE Limited- 513097 ISIN of the Company- INE386D01027

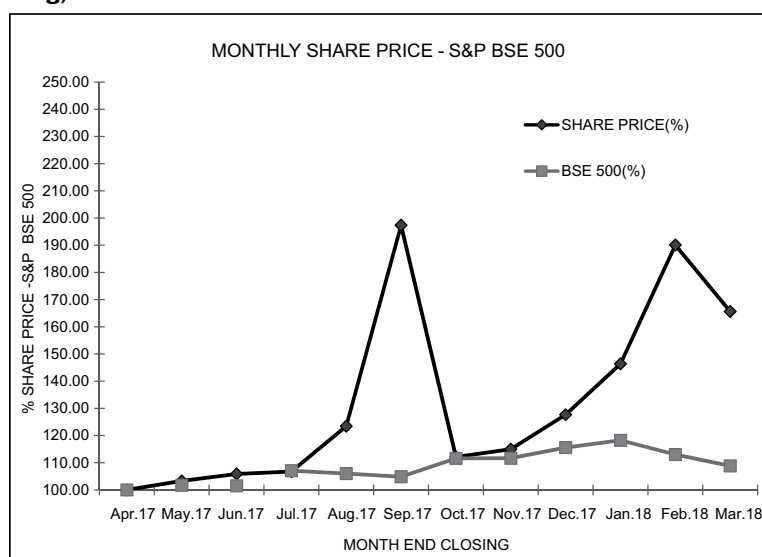
**b) Market Price Data: High, Low on BSE during each month in the last Financial Year 2017-18**

	Price per equity share of the face value of Rs. 2/- each			Price per equity share of the face value of Rs. 2/- each	
Month	High	Low	Month	High	Low
April, 2017	79.50	61.2	Oct., 2017	139.00	64.00
May, 2017	80.00	62.00	Nov., 2017	82.00	71.10
June, 2017	78.00	68.05	Dec., 2017	95.00	78.00
July, 2017	84.6	71.5	Jan., 2018	119.90	85.75
Aug., 2017	86.9	61.65	Feb., 2018	132.50	85.10
Sep., 2017	150.00	82.00	Mar., 2018	143.86	101.00

**c) Performance of Shivalik Bimetal Controls Ltd. ("Shivalik") share price (Monthly High & Low)**



**d) Performance of Shivalik Bimetal Controls Ltd. ("Shivalik") share prices in comparison to BSE sensx (Monthly Closing)**



**e) Registrar & Share Transfer Agent:**

M/s MAS Services Limited,  
T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020  
Tel No.: (91) (11) 26387281, 266387282  
Fax: (91) (11) 26387384  
Email: info@masserv.com

**f) Share Transfer System**

MAS Services Limited, Registrar & Share Transfer Agent (“RTA”) of the Company looks after share transfer, transmission, transposition, dematerialization and re-materialization of shares, issue of duplicate share certificates, split and consolidation of shares etc. on regular basis in compliance of various provisions of the laws, as applicable.

**g) Distribution of Shareholding as on 31<sup>st</sup> March, 2018:**

	Shareholders		No. of shares	Share Capital (Amount)	
Shareholding of Nominal value of	No.	% to total		In Rs.	% to total
<b>upto 1 - 5000</b>	6005	86.415	3379798	6759596	8.801
<b>5001 - 10000</b>	497	7.152	1895701	3791402	4.936
<b>10001 - 20000</b>	242	3.483	1786601	3573202	4.652
<b>20001- 30000</b>	60	0.863	739147	1478294	1.925
<b>30001- 40000</b>	37	0.532	672227	1344454	1.750
<b>400001-50000</b>	21	0.302	482105	964210	1.255
<b>50001-100000</b>	37	0.532	1292745	2585490	3.366
<b>100001 and above</b>	50	0.720	28154476	56308952	73.314
<b>Total</b>	<b>6949</b>	<b>100.000</b>	<b>38402800</b>	<b>76805600</b>	<b>100.000</b>

**h) Shareholding Pattern as on 31<sup>st</sup> March, 2018**

Category	No. of Shares held	% of total Shareholding
Promoters	23516268	61.24
Indian Bodies Corporate	579712	1.51
FII's/FVCP/NRI/Foreign Bodies	479192	1.25
Indian Public	13407832	34.91
Others – (Clearing members, trust etc)	419796	1.10
<b>Total</b>	<b>38402800</b>	<b>100.000</b>

**i) Dematerialization of shares and liquidity**

As on 31<sup>st</sup> March, 2018, total 38402800 equity shares of face value of Rs. 2/- each are listed at BSE. As on 31<sup>st</sup> March, 2018, 96.17% of the Company's total Share Capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

**j) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs / Warrants or any convertible instruments.

**k) Commodity price risk or foreign exchange risk and hedging activities**

None

## l) Major Plants /Units Location(s)

### Plants Location:

Plot No. 16-18,  
New Electronics Complex, Chambaghat,  
Distt. Solan (HP)

### Head Office:

H-2, 2nd Floor, Suneja Chambers  
Alaknanda Commercial Complex  
New Delhi -110019

## m) Address for Correspondence

- a) For any complaints relating to non-receipt of shares after transfer, transmission, change of address, mandate etc., dematerialization of shares or any other query relating to shares shall be forwarded to the Share Transfer Agents directly at the address given hereunder. Members are requested to provide complete details regarding their queries quoting folio number/DP ID no./Client ID No., number of shares held etc.

M/s MAS Services Limited,  
T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020  
Tel No.: (91) (11) 26387281, 266387282  
Fax: (91) (11) 26387384  
Email: [info@masserv.com](mailto:info@masserv.com)

- b) For any query on any point in Annual Report, non-receipt of Annual Report, non-receipt of dividend etc., the complaint should be forwarded to the kind attention of Mrs. Aarti Jassal, Company Secretary & Compliance Officer of the Company at the following address:

Shivalik Bimetal Controls Limited  
H-2, 2nd Floor, Alaknanda Commercial Complex, New Delhi-110019  
Tel.: 011-26027174 Fax No.: 011—26026776

Members can also register their complaints at [investor@shivalikbimetals.com](mailto:investor@shivalikbimetals.com), an exclusive email ID, designated by the Company for the purpose of registering complaints by investors, in compliance of Regulation 6(2)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## n) Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practicing Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the share capital held with Depositories (i.e. NSDL & CDSL) in dematerialised form and share capital held in physical form with the total issued and listed share capital of the Company.

## o) Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. The details of unclaimed/ unpaid dividend are available on the website of the Company viz. [www.shivalikbimetals.com](http://www.shivalikbimetals.com).

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules.

Pursuant to Section 124 of the Companies Act, 2013 read with provisions of Investors Education & protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016 (as amended), all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more, already transferred by the Company in favour of Investor Education and Protection Fund (IEPF). The Company had communicated to all the concerned shareholders individually whose shares were liable to be transferred to IEPF. The Company had also given newspaper advertisements, before such transfer in favour of IEPF.

The Company had also uploaded the details of such shareholders and shares transferred to IEPF on the website of the Company at <http://www.shivalikbimetals.com/about-us.php?pageId=34>

Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Financial Year	Date of Declaration	Proposed Date for transfer to IEPF*
2010-11(Ist Interim)	31 <sup>st</sup> January, 2011	07 <sup>th</sup> March, 2018*
2010-11(IIInd Interim)	12 <sup>th</sup> May, 2011	17 <sup>th</sup> June, 2018*
2010-11 (Final)	28 <sup>th</sup> September, 2011	03 <sup>rd</sup> November, 2018

\*For the financial year 2010-11(Ist & 2nd Interim Dividend amount as well as the shares) have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Accordingly, Members who have not encashed their dividend warrants are requested in their own interest to write to the Company / Register & Share Transfer Agent claiming the dividend declared by the Company pertaining to the Financial years 2010-11 (Final dividend). Kindly note that once the amount is transferred to the IEPF, no claims shall lie against the Company.

**p) Shivalik Bimetal Controls Ltd.- Unclaimed Suspense Account (“Unclaimed Suspense Account”).**

The details of equity shares (“shares”) held in an Unclaimed Suspense Account are as follows:

S No.	Particulars	Details
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year 2017-18	<ul style="list-style-type: none"> <li>Aggregate number of shareholders – 96</li> <li>Number of Outstanding shares – 242000*</li> </ul>
2	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the Financial Year 2017-18	2 shareholders approached for 4000 equity shares
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the Financial Year 2017-18	During the year: share transfer to IEPF account – 101000 equity shares Transferred in the name of original shareholders - 4000 equity shares
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the Financial Year 2017-18	<ul style="list-style-type: none"> <li>Aggregate number of shareholders - 94</li> <li>Number of Outstanding shares - 137000</li> </ul>

\*During the year Bonus shares credited around 121000 shares

Note: Voting rights on the above mentioned equity shares would remain frozen till the owner of such equity shares claims the shares.

**10. Certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance**

A Certificate from Practicing Company Secretary certifying the compliance of corporate governance requirements by the Company is annexed to the Corporate Governance Report and forms part of the Annual Report.



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## **Annexure to Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2018.**

### **Declaration of Compliance with the Code of Conduct**

In accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, I hereby confirm and declare that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended 31<sup>st</sup> March 2018.

For Shivalik Bimetal Controls Limited

Place: New Delhi  
Date: 23.08.2018

Sd/  
S.S. Sandhu  
Chairman  
DIN: 00002312  
302, Kings I, Royal Retreat, Charmswood Village, Suraj  
Kund, Faridabad, 121009, Haryana, India





### **CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Shivalik Bimetal Controls Limited ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2018 and based on our knowledge and belief, we state that :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the code of conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- e) We have indicated, based on our most recent evaluation, wherever applicable to the Auditors and Audit Committee:
  - i. Significant changes, if any, in the internal control over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Sd/  
(N.S. Ghumman)  
Managing Director

Sd/  
(Rajeev Ranjan)  
Chief Financial Officer

Place: New Delhi  
Date : 28.05.2018



## PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Shivalik Bimetal Controls Limited

1. This certificate contains details of compliance of conditions of corporate governance by SHIVALIK BIMETAL CONTROLS LIMITED ('the Company') for the year ended 31<sup>st</sup> March 2018 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and pursuant to the Listing Agreement of the Company with Bombay Stock exchange.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination has been limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. In my opinion, and to the best of my information and according to explanations given to me, I certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
5. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR R MIGLANI & CO.**  
Company Secretaries

Place: New Delhi  
Date: 23.08.2018

Sd/-  
**RAJNI MIGLANI**  
Proprietor  
Membership No. A30016  
C.O.P-11273



## ANNEXURE “E”

### MANAGEMENT DISCUSSION AND ANALYSIS

#### ECONOMIC REVIEW

##### Global Review

According to International Monetary Fund (‘IMF’), global growth is projected to rise to 3.9% in 2018 and 2019, closer to the long-term growth trend of 4%. The IMF estimates that the growth of more than 1.5% in 2017 in each of the world’s seven biggest economies—the US, China, Germany, Japan, France, the UK and India— will provide an impetus to the world economy to achieve more robust growth in 2018.

In 2017, a decade after the global economy spiralled into a meltdown, a revival became visible. Every major economy expanded and a growth wave created jobs. This reality was marked by ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil leading to an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting improved momentum due to the impact of tax policy changes in the US.

##### Indian Economy

On the domestic front, despite the prevailing after effects of demonetization and the implementation of Goods & Services Tax (GST), India continued to be the fastest growing economy. In FY 2017-18, India’s GDP at constant prices is expected to grow by 6.6% as compared to 7.1% in the previous year, as per second advanced estimates issued by the Central Statistics Organization (CSO). Acceleration in manufacturing, rising corporate sales growth, a pick-up in capacity utilisation, strong activity in the services sector and a record agricultural harvest helped to boost growth.

The year under review was marked by various structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalization, bank recapitalization and privatization of coal mines. After remaining in negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to USD 414 billion as on January 2018. World Bank projected India’s economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support economic activity. Private investment is expected to revive as soon as the corporate sector adjusts to the GST. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector Balance Sheets, enhance credit availability and spur investment. (Source: CSO, economic survey 2017-18 IMF, World Bank).

#### INDUSTRY OVERVIEW

“Shivalik” is engaged in the business of manufacturing & sales of Thermostatic Bimetal / Trimetal strips, components, EB welded products, Cold Bonded Bimetal Strips and Parts. The Company’s products are exported to over 50 Countries around the world. In particular, the Company achieved its targets in the FY 2018-19. SHIVALIK is catered to broad spectrum of applications which includes Switchgears, Energy Meters, Industrial, Electrical applications, Automotive & Electronic Devices. Our growth is directly connected with the Electrical, Electronics and Automotive Industries.

Indian electrical and electronics industry has witnessed a record double-digit growth of 12.8% in 2017-18. Although higher imports still plague the industry, policy changes and various initiatives undertaken by the Government and industry are eventually showing signs of revival in this sector. {Source by Indian Electrical and Electronics Manufacturers’ Association (IEEMA)}. The production and sales data is collected from its member organizations, which represent 90 percent of the entire sector.

The government is procuring smart and prepaid meters to be deployed across the country. It has urged electronic meter manufacturers to scale up production in India, as it plans to shift all connections to smart prepaid meters over the next three years. Energy Efficiency Services Limited (EESL) has floated two global tenders for procuring a total of 10 million smart meters.

The industry’s record performance is attributed to Government’s schemes like DDUJGY, IPDS and Saubhagya where the country is racing to provide electricity to households in the villages. The government unveiled Rs.16,320 crore Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) in September to provide electricity connection to around 4 crore families in rural and urban areas by December 2018. Joining hands with government for this cause, IEEMA alongwith ‘REC’ has created a North East Cell to give impetus to this growth by emphasizing on distribution in North East.



## COMPANY OVERVIEW

We are one of the leading manufacturers of Thermostatic Bimetal / Trimetal strips, components, EB welded products, Cold Bonded Bimetal Strips and Parts globally. We provide a complete solutions/package to the customer, not only of strips, but also of ready-to-use components.

Our vision for our business is “To earn our clients’ trust and maximize the value of their business by providing solutions using our knowledge and technology.” We seek to emphasize on our core values of being passionate about our clients’ success, treating each person with respect, being global and responsible, and maintaining unyielding integrity in everything we do.

## FINANCIAL REVIEW

The company posted its highest ever production, shipments, revenue and EBIDTA during the FY 2017-18. For the FY2017-18, the company revenue increased by 29% from Rs. 12,556.99 lakhs to Rs. 16,167.97 lakhs. An increase in realizations and sales volumes are the prime drivers of this performance. The company continues its focus on pruning costs by improving yields, productivity and optimized the mix and sourcing of key inputs to withstand the volatile pricing environment.

The company was able to achieve encouraging progress on key strategic initiatives like automation and logistics optimization. This cost optimization initiatives helped the company report an EBITDA of Rs. 2,977.46 Lakhs for the year, which grew by 41% y-o-y. The company registered a net profit after tax of Rs. 1,598.69 Lakhs which grew by 85% y-o-y.

Product Group wise share in turnover for the last two years (% of value)

Particular	FY 2017-18	FY 2016-17
Thermostatic Bi-metal/Tri-metal Strips & Parts	56.50	67.58
Shunt (Resisters)	43.05	31.26
Job work for Indian Ordinance	0.45	1.16

### Revenue Analysis: (Rs. In Lakhs)

Particular	FY 2017-18	FY 2016-17	CHANGE	CHANGE %
Domestic Turnover	7,728.29	6,569.95	1,158.34	17.63
Export Turnover	8,255.82	5,984.09	2,271.73	37.96
<b>Total Turnover</b>	<b>15,984.11</b>	<b>12,554.04</b>	<b>3,430.07</b>	<b>27.32</b>
Other Operating Revenues	183.86	2.95	180.91	-
	<b>16,167.97</b>	<b>12,556.99</b>	<b>3,610.98</b>	<b>28.76</b>

### Product wise quantity Break-up (MT):

PRODUCTS	FY 2017-18	FY 2016-17	% GROWTH
Bimetal	576	538	7.06
Shunt	533	308	73.05
<b>Total</b>	<b>1109</b>	<b>846</b>	<b>31.09</b>

The Company performance is relatively strong with the improvement in absolute volume in the export market and product mix. The total sales volume increased by 31% vis-à-vis the previous year. The company explored opportunities in the export market in addition to developing existing markets. The revenue was higher by 29% vis-à-vis the previous year mainly on account of 31% volume growth.



## Own Funds

(Rs. In Lakhs)

Particular	FY 2017-18	FY 2016-17	CHANGE	CHANGE %
Net Worth	8,526.76	7,124.16	1,402.60	19.69

Net Worth has increased by 19.69% from Rs. 7,124.16 lakhs in FY 2016-17 to Rs. 8,526.76 lakhs in FY 2017-18.

The book value per share has increased to Rs. 22.20 in FY2017-18 from Rs. 18.55 in FY 2016-17.

## FUTURE OUTLOOK

The economy was able to overcome the short term challenge of GST resulting in a rebound in the last quarter. The outlook is optimistic as all major economic indicators appear to be in good health. Inflation is range-bound and the consumer sentiment is positive.

The outlook for SHIVALIK's business is positive due to following Government reform initiatives like:

**Smart Cities:** The Indian government launched the Smart Cities initiative in collaboration with States and Union Territories. The mission intends to drive economic growth and improve living standards. The Smart Cities mission will drive city improvement (retrofitting) and city extension (Greenfield development). This initiative will cover 100 cities with the Union government allocating Rs. 48, 000 crore over five years.

**Make in India:** The 'Make in India' initiative was launched with the objective of making India a global manufacturing hub. The initiative is expected to boost entrepreneurship in manufacturing, services and infrastructure sectors. The Indian Government set up 'Invest India' as a national investment promotion and facilitation agency under the initiative.

**Electric Vehicle Market:** The global electric-vehicle markets are amped up and continue to surge ahead in top gear. According to Frost & Sullivan's recently released "Global Electric Vehicle Market Outlook 2018," global sales are poised to climb from 1.2 million in 2017 to 1.6 million in 2018 and further upwards to an estimated 2 million in 2019. It's not all smooth driving though as the EV industry needs to overcome major challenges related to battery technology and charging infrastructure, both of which have failed to match the cracking pace set by EVs.

**Initiatives for production of electric Vehicles:** The Government started Faster Adoption and Manufacturing of Hybrid and Electric vehicles (FAME) scheme which provides incentives for purchasing electric vehicles. Government is releasing tenders to increase charging centers to the EVs in the country. Karnataka approved Electric Vehicle and Energy Storage Policy 2017.

Considering the above government reforms the company is quite hopeful with the opportunities available in the following areas:

1. Smart Meter: The Company has developed products which are an integral part of the meter.
2. Automotive application: We have developed resistors which are used in high power low ohmic metals. Power resistors are used for automotive applications such as electric power steering, power window modules & IBS (Intelligent Battery System) of Electric Vehicles.
3. Snap Action disc: Company is venturing into niche application such as OLP (overloaded protectors) and thermostatic Bimetals of various industrial and home appliances. We are developing disc grade Bimetals for such applications.

We are expecting the aforesaid activities to turn as another profit centre for us in the coming years. We have been continuously strengthening and updating our manufacturing capacity to cope up with the ever increasing market demands.

## Opportunities & Threats

### Opportunities:

- The Government is focused on increasing the power supply to villages.
- Expansion of key industry sector like power, steel, petrochemicals, telecom and others.
- Per capita consumption of energy being relatively low, the growth potential for this industry in medium and long term is high.
- Government's plan to convert traditional meters into smart meters and Replacement and retrofitting programmes.

**Threats:**

- Competition
- Change of technology.
- Any unfavorable change in Govt. Policies may affect export competitiveness.
- Market volatility.

**Risks & Concerns**

Risk Management Policy has been adopted by the Board to review and mitigate risks relevant to environmental, operational and business risks to safeguard its interest. It ensures sustainable growth by implementing a proactive approach in reporting, evaluating and controlling/resolving risks associated with the business of the company. In order to achieve this, the policy establishes a structured and disciplined approach to Risk Management, including the development of the risk areas, so as to guide decisions on risk related issues.

The Board has delegated responsibility of overseeing Risk Management frame work to the Audit Committee. Audit Committee of the Company is regularly monitoring the environmental, operational and business risks. The company has internal audit systems which assesses the effectiveness of internal controls, risk identification and mitigation processes prevailing in the company. Your company has also formulated a Foreign Exchange policy to mitigate the risks attached while dealing in fluctuations in Foreign exchange in both Imports as well as Exports. Audit Committee of the Board of Directors also reviews the internal audit reports and takes appropriate actions w.r.t deviations, if any.

The various heads of operations have regular interactions and communications to keep themselves abreast with the developments in the market, products, competition and other relevant areas.

**Internal Control System and their Adequacy**

SHIVALIK has an adequate system of internal controls in place which has been designed to provide a reasonable assurance with regard to maintenance of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting. Company has documented procedures covering all financial and operating functions.

Company has robust internal audit programme, where the Internal Auditors, an independent firm of chartered accountants, conduct a risk-based audit with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems. Internal audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations.

**Occupational Health & Safety**

SHIVALIK gives great importance to all the matters related to Health, Safety and Environment and ensures compliances of all statutory regulations. Training of employees on emergency response, firefighting, rescue and first aid are some of the regular features at manufacturing sites.

Occupational Health & Safety is an area concerned with protecting the safety, health and welfare of employees engaged in the company. The goals of occupational safety and health programs include to foster a safe and healthy work environment. Occupational Health & Safety has been recognized as an integral and key part of the Company's Business Process. The management believes that people working with the organization are of key resource for the success of the Organization. The sincere efforts put in by the employees have translated in to Quality improvements, Productivity improvements and Cost reduction etc. Management firmly believes in developing and nurturing its human resources and improving their talents which subsequently help in the growth of the Company. Proper care is taken for safety, health and welfare of the employees. The Company ensured employee safety through investments in pollution mitigating equipment, the selection of safe processes, adequate safety training and provision of safety equipment. Our aim is to remove unsafe situations and practices by any/all pre-emptive steps required. For the safe return of the employees to their homes all precautions are taken to avoid accidents.

**Human Resource and Industrial Relations**

All out efforts are made to quickly resolve all outstanding issues beforehand so that they do not escalate into major disagreements. Your company has earned a good standing over the years and there are zero contentious issues pending



as on date. The organization maintains harmonious relations at all levels within the company and employees are well motivated round the year to meet the goals set for them. Your Directors wish to place on record the deep sense of appreciation for the contributions made by the employees.

Your Company is continuously striving to create appropriate environment, opportunities and systems to facilitate identification, development, and utilization of their full potential and inculcating a sense of belongingness.

Your Company's industrial relations continued to be harmonious during the year under review.

### **Cautionary Statement**

Statements in the "Management Discussion and Analysis" describing the Company's objectives, projections, estimates and expectations or predictions may be 'forward looking statement' within the meaning of applicable securities laws and regulations. Actual results could differ substantially and materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions effecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, currency (forex) fluctuations, changes in government regulations, tax laws and other statutes and other incidental factors.



## ANNEXURE- "F"

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES [Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing food, clothes, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the Company operates.

SHIVALIK will focus on CSR initiatives that promote the areas identified in this policy. SHIVALIK implements the chosen programs via two channels:

- Directly by SHIVALIK;
- Through registered trust or registered society and other permissible entities.

CSR primarily focuses on programs that:

- Promote education;
- Create sustainable livelihood opportunities
- infrastructure development/Rural Development
- women empowerment
- Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, Agro forestry, conservation of natural resources & maintaining quality of soil, air & water;

The CSR policy of the Company is stated in <http://www.shivalikbimetals.com/images/pdf/sbcl-csr-policy.pdf>.

**Composition of the CSR Committee:-**

The CSR Committee comprises of the following directors:-

- Mr. S. S. Sandhu, Chairman;
- Mr. N.S. Ghumman, Member and
- Mr. Pradeep Khanna, Member

**2. Average net profit of the Company for last three financial years :-**

**Rs. 9,95,65,398/-**

**3. Prescribed CSR Expenditure :-**

The Company was required to spend Rs. 19, 91,308/- towards CSR

**4. Details of amount spent on CSR activities during the financial year :-**

- Total amount to be spent for the Financial Year: Rs. 19,91,308/-
- Total amount spent for the Financial Year: Rs. 20,72,997/-
- Amount unspent if any: None

d) Manner in which the amount spent during the Financial Year is detailed below:

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent : Direct or through implementing agency*
1	Construction/repair of School buildings, village Roads, Integrated village development, Construction of LPG/CNG Gassifier Crematorium	Schedule 7(xi), Rural development projects;	Solan, Himachal Pradesh	8,00,388	8,00,388	8,00,388	Direct
2	Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water; Schedule 7(iv),	Financial assistance/ Donation for Promotion of Organic Farming to Churah Valley Alternative Agro-Horticulture and Development Cooperative Society Ltd.	Solan, Himachal Pradesh	2,00,000	2,00,000	2,00,000	Direct
3	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Schedule 7(ii), Promoting Education through sponsoring Poor Children's	Himachal Pradesh & Haryana	93,383	93,383	93,383	Direct
4	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement	Schedule 7(ii), Promoting Education (making of library with latest books)	Himachal Pradesh & Haryana	58,726	58,726	58,726	Direct
5	Training to promote rural sports	Schedule 7(Viii), Sports and allied activities	All across India	20,500	20,500	20,500	Direct
6	ABS Foundation	Schedule 7(ii), Promoting education	All over India	9,00,000	9,00,000	9,00,000	Through Trust
	<b>TOTAL</b>			20,72,997	20,72,997	20,72,997	

**5. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company**

We state the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/  
(N.S. Ghumman)  
Managing Director  
DIN: 00002052

Sd/  
S. S. Sandhu  
Chairman of CSR Committee  
DIN: 00002312



## INDEPENDENT AUDITORS' REPORT



To

The Members of Shivalik Bimetal Controls Limited

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Shivalik Bimetal Controls Ltd.** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flow, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (Hereinafter referred as "Standalone Ind AS Financial Statements").

### **Management's Responsibility for the Standalone Ind AS 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 and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Indian Accounting Standards (IndAS) prescribed under 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018 and its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.



## INDEPENDENT AUDITORS' REPORT



### Other Matter

The comparative financial information for the year ended 31<sup>st</sup> March 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April 2016 are prepared in accordance with Ind AS included in these standalone financial statements, are based on the previously issued statutory financial statements for the year ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act which were audited by the predecessor auditor whose reports dated 25<sup>th</sup> May 2017 and 30<sup>th</sup> May 2016 respectively expressed unmodified opinion on those standalone financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, 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;
  - 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, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flow with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
  - 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 internal financial controls over financial reporting.
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 in its standalone Ind AS financial statements-Refer Note 38 to the financial statements;
    - ii. the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Arora Gupta & Co.**

Chartered Accountants

Firm Registration No:- 021313C

Sd/-

Amit Arora

Partner

M.No. 514828

Place: New Delhi

Dated: 28.05.2018



## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



### Annexure- A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March 2018, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. According to information and explanations given to us, the assets have been physically verified by the management during the year as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - 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.
- (ii) a. The management has conducted physical verification of inventory at reasonable intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) The company has not granted any loans, to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b), & (c) of the Companies (Auditor's Report) Order, 2016 (hereinafter referred to as the said Order) are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act to the extent applicable in respect of loans, investments, guarantees, and security.
- (v) The company has not accepted any deposits from the public and therefore provisions of clause 3(v) of the order are not applicable to the company.
- (vi) Company has maintained the cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) a. According to the records of the Company and information and explanation given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
  - b. According to the information and explanations given to us, there were no undisputed dues outstanding of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or goods and service tax or cess for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, banks and debenture holders.
- (ix) According to information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans raised during the year have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



- (xi) According to the information and explanation given to us managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii) is not applicable.
- (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 Indian Accounting Standards.
- (xiv) According to the information and explanations give 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) 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, clause 3(xv) is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Arora Gupta & Co.**

Chartered Accountants

Firm Registration No:- 021313C

Sd/-

Amit Arora

Partner

M.No. 514828

Place: New Delhi

Dated: 28.05.2018

### **Annexure - B to the Independent Auditors' Report**

**(Referred to paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Shivalik Bimetal Controls Limited of even date)**

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 Shivalik Bimetal Controls Limited ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding





prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **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, 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 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Arora Gupta & Co.**

Chartered Accountants

Firm Registration No:- 021313C

Sd/-

Amit Arora

Partner

M.No. 514828

Place: New Delhi

Dated: 28.05.2018



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## BALANCE SHEET as at 31<sup>st</sup> March, 2018



(₹ in lacs)

	Notes	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>I. ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant & Equipment	3	4,512.41	4,301.93	4,469.64
(b) Capital Work-In-Progress	3	408.11	387.94	381.12
(c) Intangible assets	3.8	7.48	8.44	11.88
(d) Intangible Assets Under Development	3.8	63.74	58.84	42.83
(e) Financial Assets				
(i) Investments	5	930.76	930.54	930.02
(ii) Loans	6	34.32	33.78	32.68
(iii) Other Financial Assets	7	0.55	1.27	10.88
(f) Current Tax Assets	8	15.42	-	-
(g) Other Non Current Assets	9	50.98	21.44	17.31
<b>Total Non Current Assets</b>		<b>6,023.77</b>	<b>5,744.18</b>	<b>5,896.36</b>
<b>Current assets</b>				
(a) Inventories	10	4,060.09	2,606.51	2,348.82
(b) Financial Assets				
(i) Trade receivables	11	3,359.03	2,641.59	2,425.37
(ii) Cash and cash equivalents	12	22.58	17.92	811.59
(iii) Other Bank Balances	13	12.51	91.48	78.85
(iv) Loans	14	1.75	0.80	0.20
(v) Others Financial Assets	15	143.91	2.75	0.80
(c) Other current assets	16	1,029.89	481.63	301.74
<b>Total Current Assets</b>		<b>8,629.76</b>	<b>5,842.68</b>	<b>5,967.37</b>
<b>Asset Classified as held for sale</b>	4	191.86	195.86	195.86
<b>TOTAL ASSETS</b>		<b>14,845.39</b>	<b>11,782.72</b>	<b>12,059.59</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	17	768.06	384.03	384.03
(b) Other Equity	18	7,758.70	6,740.13	5,942.83
<b>Total Equity</b>		<b>8,526.76</b>	<b>7,124.16</b>	<b>6,326.86</b>
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	19	744.16	535.93	541.99
(b) Provisions	20	29.41	26.66	22.90
(c) Deferred tax liabilities (Net)	21	458.86	373.61	281.02
<b>Total Non-Current Liabilities</b>		<b>1,232.43</b>	<b>936.20</b>	<b>845.91</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	22	2,302.38	1,994.54	3,147.51
(ii) Trade payables	23	1,740.36	816.76	605.80
(iii) Other Financial Liabilities	24	792.65	582.51	725.87
(b) Other current liabilities	25	172.28	241.87	311.17
(c) Provisions	26	10.68	48.13	23.52
(d) Current Tax Liabilities	27	67.85	38.55	72.95
<b>Total Current Liabilities</b>		<b>5,086.20</b>	<b>3,722.36</b>	<b>4,886.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,845.39</b>	<b>11,782.72</b>	<b>12,059.59</b>
<b>III. The accompanying notes form an integral part of the standalone financial statements.</b>	1 to 45			

As per our report of even date

For and on Behalf of the Board

**For Arora Gupta & Co.**

Chartered Accountants

FRN No.021313C

**Sd/-**  
**AMIT ARORA**  
**Partner**  
M.No.514828

**Sd/-**  
**RAJEEV RANJAN**  
**Chief Financial Officer**

**Sd/-**  
**AARTI JASSAL**  
**Company Secretary**  
M.No. A25690

**Sd/-**  
**N.S. GHUMMAN**  
**Managing Director**  
DIN 00002052

**Sd/-**  
**S.S. SANDHU**  
**Chairman**  
DIN 00002312

Place : New Delhi  
Date : 28.05.2018



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## STATEMENT OF PROFIT & LOSS ACCOUNT

for the year ended 31<sup>st</sup> March, 2018



		( ₹ in lacs, except per share data)		
	Notes	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017	
<b>I</b>	Revenue from operations	28	16,167.97	12,556.99
<b>II</b>	Other income	29	230.15	207.07
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>16,398.12</b>	<b>12,764.06</b>
<b>IV</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	30	8,953.47	6,487.90
	(b) Changes in Inventories of Finished Goods and work-in-progress	31	(790.31)	(284.35)
	(c) Excise Duty		197.72	678.46
	(d) Employee benefits expense	32	1,447.90	1,241.44
	(e) Finance costs	33	331.13	254.25
	(f) Depreciation & Amortisation	3	461.58	453.67
	(g) Other expenses	34	3,611.88	2,534.66
	<b>Total expenses</b>		<b>14,213.37</b>	<b>11,366.03</b>
<b>V</b>	<b>Profit before exceptional items and tax (III-IV)</b>		<b>2,184.75</b>	<b>1,398.03</b>
<b>VI</b>	Exceptional items (Income)/Expenses	35	(1.24)	3.24
<b>VII</b>	<b>Profit/(loss) before tax (V - VI)</b>		<b>2,185.99</b>	<b>1,394.79</b>
<b>VIII</b>	Tax expense			
	(a) Current tax	36	564.82	437.20
	(b) Current tax related to previous years	36	(62.77)	2.76
	(c) Deferred tax	36	85.25	92.59
	<b>Total</b>		<b>587.30</b>	<b>532.55</b>
<b>IX</b>	<b>Profit/(Loss) for the years (VII-VIII)</b>		<b>1,598.69</b>	<b>862.24</b>
<b>X</b>	Other Comprehensive Income			
	i. Items that will not be reclassified to Statement of Profit and Loss			
	- Remeasurement of defined benefit obligation		0.53	(10.97)
	- Income tax on above		(0.18)	3.80
<b>XI</b>	<b>Total Comprehensive Income for the Period (IX+X)</b>		<b>1,599.04</b>	<b>855.07</b>
<b>XII</b>	Earnings per equity share			
	(a) Basic	37	4.16	2.23
	(b) Diluted	37	4.16	2.23
	The accompanying notes form part of the Financial Statements	1 to 45		

As per our report of even date

**For Arora Gupta & Co.**

Chartered Accountants

FRN No.021313C

For and on Behalf of the Board

**Sd/-**  
**AMIT ARORA**  
Partner  
M.No.514828

**Sd/-**  
**RAJEEV RANJAN**  
Chief Financial Officer

**Sd/-**  
**AARTI JASSAL**  
Company Secretary  
M.No. A25690

**Sd/-**  
**N.S. GHUMMAN**  
Managing Director  
DIN 00002052

**Sd/-**  
**S.S. SANDHU**  
Chairman  
DIN 00002312

Place : New Delhi  
Date : 28.05.2018

# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## CASH FLOW STATEMENT

for the year ended on 31<sup>st</sup> March, 2018



( ₹ in lacs)

	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	2,185.99	1,394.79
Adjustments for:		
Depreciation and amortisation expense	461.58	453.67
Interest Expense	331.13	254.25
Interest Income	(3.34)	(5.75)
Net (Gain)/loss arising on financial instruments designated as FVTPL	(0.22)	(0.53)
Amount Written Back	(1.24)	(3.95)
Loss Allowance for doubtful receivables	15.40	3.68
(Profit)/Loss on sale of Property, Plant and Equipment	0.01	7.19
Dividend received	(0.24)	(0.20)
<b>Operating Profit before Working Capital changes</b>	<b>2,989.05</b>	<b>2,103.15</b>
Adjustment for :		
Trade and other receivables	(732.83)	(219.91)
Inventories	(1,453.58)	(257.69)
Trade Payables	924.84	214.91
Other Assets	(632.14)	(186.80)
Other Liabilities	(72.13)	(27.03)
Provisions	(34.17)	17.41
<b>Cash generated from operations</b>	<b>989.03</b>	<b>1,644.04</b>
Income Tax	(472.94)	(470.56)
<b>Net Cash flow from operating Activities (A)</b>	<b>516.10</b>	<b>1,173.48</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for Property Plant and Equipment & Intangible assets including capital advances & CWIP	(759.60)	(330.45)
Proceeds from Sale of Property Plant and Equipment	43.41	14.05
Interest Income	3.34	5.75
Dividend Received	0.24	0.20
<b>Net cash (used in)/ from investing activities (B)</b>	<b>(712.62)</b>	<b>(310.45)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Non Current Borrowings*	757.28	317.00
Repayment of Non Current Borrowings	(339.30)	(507.49)
Proceeds from Current Borrowings (net)	307.84	(1,152.96)
Interest Expense	(328.81)	(255.61)
Dividend (Including Dividend Tax Paid)	(193.08)	(55.67)
Unclaimed Dividend transferred to Investor Protection Fund	(2.75)	(1.97)
<b>Net Cash (used in) from financing activities (C )</b>	<b>201.18</b>	<b>(1,656.70)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4.66</b>	<b>(793.67)</b>
Cash and Cash Equivalents (Opening Balance)	17.92	811.59
Cash and Cash equivalents (Closing Balance)	22.58	17.92

\* There is no non cash movement in borrowings

**Note: The Cash Flow Statement is prepared using "Indirect method" set out in Ind AS 07 "Statement of Cash Flows".**

As per our report of even date

For and on Behalf of the Board

**For Arora Gupta & Co.**

Chartered Accountants

FRN No.021313C

Sd/-

**AMIT ARORA**

**Partner**

M.No.514828

Sd/-

**RAJEEV RANJAN**

**Chief Financial Officer**

Sd/-

**AARTI JASSAL**

**Company Secretary**

M.No. A25690

Sd/-

**N.S. GHUMMAN**

**Managing Director**

DIN 00002052

Sd/-

**S.S. SANDHU**

**Chairman**

DIN 00002312

Place : New Delhi

Date : 28.05.2018



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2018



### Statement of Changes in Equity

#### A. Equity Share Capital

( ₹ in lakhs)

As at 1 <sup>st</sup> April 2016	Movement During the Year	As at 31 <sup>st</sup> March 2017	Movement During the Year	As at 31 <sup>st</sup> March 2018
384.03	-	384.03	384.03	768.06

#### B. Other Equity

( ₹ in lacs)

Particulars	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance as at 1<sup>st</sup> April, 2016</b>	<b>0.57</b>	<b>2,437.07</b>	<b>3,505.19</b>	<b>5,942.83</b>
Profit for the year	-	-	862.24	862.24
Other Comprehensive income for the year	-	-	(7.17)	(7.17)
<b>Transactions with owners</b>				
Payment of Dividend	-	-	(48.00)	(48.00)
Tax on Dividend	-	-	(9.77)	(9.77)
Transfer to General Reserves	-	200.00	(200.00)	-
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>0.57</b>	<b>2,637.07</b>	<b>4,102.49</b>	<b>6,740.13</b>
Profit for the year	-	-	1,598.69	1,598.69
Other Comprehensive income for the year	-	-	0.35	0.35
<b>Transactions with owners</b>				
Payment of Dividend	-	-	(163.21)	(163.21)
Tax on Dividend	-	-	(33.23)	(33.23)
Issue of Bonus Shares	-	-	(384.03)	(384.03)
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>0.57</b>	<b>2,637.07</b>	<b>5,121.06</b>	<b>7,758.70</b>

As per our report of even date

**For Arora Gupta & Co.**

Chartered Accountants

FRN No.021313C

For and on Behalf of the Board

**Sd/-**  
**AMIT ARORA**  
**Partner**  
M.No.514828

**Sd/-**  
**RAJEEV RANJAN**  
**Chief Financial Officer**

**Sd/-**  
**AARTI JASSAL**  
**Company Secretary**  
M.No. A25690

**Sd/-**  
**N.S. GHUMMAN**  
**Managing Director**  
DIN 00002052

**Sd/-**  
**S.S. SANDHU**  
**Chairman**  
DIN 00002312

Place : New Delhi  
Date : 28.05.2018



## SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2018)



### 1. COMPANY'S OVERVIEW

**Shivalik Bimetal Controls Limited** referred to as "Shivalik" is a widely-held public limited Company which was incorporated in the year 1984 and has been in commercial production since October 1986. "Shivalik's" manufacturing Units are located at Chambaghat, Solan, in the state of Himachal Pradesh, India. The Company's shares are listed on Bombay Stock Exchange.

"Shivalik" is engaged in the business of manufacturing & sales of Thermostatic Bimetal/ Trimetal strips, components, EB welded products, Cold Bonded Bimetal Strips and Parts etc., The application of "Shivalik's" Products are mainly in Switchgears, Circuit Breakers and various other Electrical and Electronic devices. The Company's products are exported to over 40 Countries around the world.

The financial statements as at 31<sup>st</sup> March, 2018 present the financial position of the Shivalik.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS.

#### 2.1 Statement of Compliance with Ind ASs

The financial statements of the Company have been prepared in accordance with the Indian Accounting standards ('Ind AS'), notified under Section 133 read with rule 3 of Companies (Indian Accounting Standards) Rules 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions of the Companies Act, 2013 (Collectively, "Ind ASs").

Upto and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards as notified under Section 133 of Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014, as amended considered as "Previous GAAP".

These financial statements for the year ended 31<sup>st</sup> March 2018 are the Company's first Ind AS standalone financial statements.

#### 2.2 Basis of Preparation of Financial Statements

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2016 being the transition date. The financial statements for the year ended 31<sup>st</sup> March, 2017 and the opening Balance Sheet as at 1<sup>st</sup> April, 2016 have been restated in accordance with Ind ASs for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Standalone Balance Sheet, Total Equity as at 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016 and Statement of Profit and Loss, Total Comprehensive Income and Cash Flows for the period ending on 31<sup>st</sup> March 2017 are provided in Note 44.

#### 2.3 Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Accounting estimates could change from period to period. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.



## SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2018)



Significant judgements and estimates relating to the carrying values of assets and liabilities include primarily useful lives of property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

### 2.4 Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue from Sales are recognized, net of returns and trade discount that coincides with the reliability and reasonableness to expect ultimate collection, which is generally on dispatch of goods. In the case of export of goods, out of India, Revenue from sales is recognised on transfer of significant risk and rewards and ownership to buyer.

For other incomes, the Company follows the accrual basis of accounting except interest on delayed payment from customers and in respect of insurance claims filed where there is no reasonable certainty regarding the amount and/or its Collectability.

Income from Interest is recognised using Effective Interest rate method. Dividend income from investments is recognised when the shareholder's right to receive payment has been established

### 2.5 Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

The transactions in the currencies other than the entity's functional currency (foreign currency's) are accounted for at the exchange rate prevailing on the transaction's date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date and the resultant difference is charged/ credited in Statement of Profit & Loss account.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated on reporting date.

### 2.6 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

All Other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred

Borrowing costs include interest and exchange difference arising from currency borrowing to the extent they are regarded as an adjustment to the interest cost.



### 2.7 Government Grant and Assistance

Government grants are assistance by government in the form of transfer of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity and the same are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

### 2.8 Employees' Benefits

#### Defined Contribution Plans:

The Company has contributed to State Governed Provident Fund scheme, Employees State Insurance scheme and Employee Pension Scheme which are defined contribution plans. Contribution paid or payable under the scheme is recognized as expense during the period in which employees have rendered the service entitling them to the contributions.

#### Defined Benefit Plans:

The employees' gratuity is a defined benefit plan. The present value of the obligation under such plan is determined based on the Actuarial Valuation using the projected unit credit method which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The Company has an employee gratuity fund managed by Life Insurance Corporation of India (LIC). The gains or losses are charged to Profit and Loss Account.

Liability in respect of leave encashment is provided based on Actuarial Valuation using the projected unit credit method.

Compensation to employees, who opted for retirement under the Voluntary Retirement Scheme of the company, is charged to the statement of Profit & Loss in the year of exercise of option by the employee.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income

### 2.9 Taxes on Income

#### Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits/ benefits computed in accordance with the provisions of the Income Tax Act 1961.

#### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.



## SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2018)



Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

### 2.10 Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts, if any and rebates, import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing cost attributable to the Qualifying Asset.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses., if any.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on estimate of their specific useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

Capital work-in-progress represents the cost of Property Plant and Equipment that are not yet ready for their intended use at the reporting date.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Cost of in-house assembled/fabricated fixed assets comprise those costs that relate directly to the specific assets and other costs that are attributable to the assembly/fabrication thereof.

Depreciation on Fixed Assets is provided based on useful lives of assets as prescribed in Schedule-II to Companies Act 2013 except in respect of followings assets where estimated useful life is different than these mentioned in Schedule II are as follows:-

i)	Plant & Machinery *	15-30 years
ii)	Dies & Tools	2 years
iii)	Assets costing below Rs. 5,000/-	1 year
iv)	Intangibles	6 years

*\* For certain Plant & Machineries where the useful life of assets is different from those prescribed under Part C of Schedule II of Companies Act 2013, an internal assessment & Independent technical evaluation carried out by external Chartered Engineer. Based on the technical evaluation taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc., the management believes that the useful lives as given above, best represent the period over which Company expects to use these assets.*

## 2.11 Intangible Assets

Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation or amortization and impairment, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

## 2.12 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

Cost of Inventories are determined as follows;

- Raw materials, stores and spares: At cost, on “FIFO” basis;
- Work-in-progress: At cost plus related cost of conversion including appropriate overheads;
- Finished goods: At cost plus related cost of conversion including appropriate overheads
- Saleable Scrap is valued at estimated realizable value

## 2.13 Impairment of non financial assets

The Carrying amounts of assets are reviewed at each Balance Sheet date and if there is any indication to the effect that the recoverable amount of the Asset/ CGU (Cash Generating Unit) is less than its carrying amount, the difference is treated as “Impairment Loss”. The recoverable amount is greater of the asset's net selling price and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

## 2.14 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.15 Cash Flow Statements

Cash flows are reported using the indirect method, whereby Profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

## 2.16 Financial Instruments

### Financial Assets

#### A. Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

#### B. Subsequent Measurement

##### a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset

give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through other comprehensive income (FVTOCI).**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL. This includes equity investment in other than Joint Ventures and Associates.

**C. Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

"For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk lifetime ECL is used.

**Financial Liabilities**

**A. Initial Recognition and Measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B. Subsequent Measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derivative Financial Instruments**

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, in the form of foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

## **Derecognition of Financial Instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **2.17 Investment in Associates and Joint Ventures**

The Company has accounted for its investments in associates and joint ventures at cost.

### **2.18 Research and Development Expenditure**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised

### **2.19 Earnings Per share**

Basic Earnings per Share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.

### **2.20 Provision and Contingent Liabilities**

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if

- a. the company has a present obligation as a result of past event,
- b. a probable outflow of resources is expected to settle the obligation; and
- c. the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. a present obligation arising from past events, when no reliable estimate is possible; and
- iii. a possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

### **2.21 Critical Accounting Judgements and Key Source of Estimation of Uncertainty**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### **A. Key Source of estimation uncertainty**

##### **(i) Useful lives of property, plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

## **(ii) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

## **(iii) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

## **(iv) Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

## **(v) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

## **(vi) Fair Value Measurement**

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

## **B. Critical Accounting Judgements**

### **(i) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment

## (ii) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### 2.22 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



3. Property, Plant & Equipment									
Particulars	Leasehold land*	Freehold Land	Buildings	Plant and Equipment*	Furniture and Fixtures	Vehicles	Office Equipments	Total	Capital Work in Progress
<b>Cost/Deemed Cost</b>									
<b>As at 1<sup>st</sup> April 2016</b>	400.00	-	380.62	4,099.50	189.96	550.64	197.12	5,817.84	<b>381.12</b>
Additions	-	-	-	245.71	2.46	33.88	23.62	305.67	<b>6.82</b>
Disposals	-	-	-	9.04	0.06	32.60	1.59	43.29	-
Other adjustments (refer note no.3.2 below)	-	-	-	(2.39)	-	-	-	(2.39)	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>400.00</b>	<b>-</b>	<b>380.62</b>	<b>4,333.78</b>	<b>192.36</b>	<b>551.92</b>	<b>219.15</b>	<b>6,077.83</b>	<b>387.94</b>
Additions	-	330.06	7.44	203.86	3.72	145.92	19.74	710.74	<b>53.31</b>
Disposals	-	-	-	2.61	-	130.76	2.03	135.40	-
Capitalised during the year	-	-	-	-	-	-	-	-	<b>33.14</b>
Other adjustments (refer note no.3.2 below)	-	-	-	2.27	-	-	-	2.27	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>400.00</b>	<b>330.06</b>	<b>388.06</b>	<b>4,537.30</b>	<b>196.08</b>	<b>567.08</b>	<b>236.86</b>	<b>6,655.44</b>	<b>408.11</b>
<b>Accumulated depreciation</b>									
<b>As at 1<sup>st</sup> April 2016</b>	-	-	190.13	616.64	134.67	238.50	168.26	1,348.20	-
Depreciation charged for the year	6.25	-	23.59	315.45	16.08	71.62	16.76	449.75	-
On disposals	-	-	-	6.88	0.06	13.73	1.38	22.05	-
<b>As at 31<sup>st</sup> March 2017</b>	<b>6.25</b>	<b>-</b>	<b>213.72</b>	<b>925.21</b>	<b>150.69</b>	<b>296.39</b>	<b>183.64</b>	<b>1,775.90</b>	<b>-</b>
Depreciation charged for the year	6.25	-	20.60	329.10	11.24	74.39	17.53	459.11	-
On disposals	-	-	-	2.61	-	87.34	2.03	91.98	-
<b>As at 31<sup>st</sup> March 2018</b>	<b>12.50</b>	<b>-</b>	<b>234.32</b>	<b>1,251.70</b>	<b>161.93</b>	<b>283.44</b>	<b>199.14</b>	<b>2,143.03</b>	<b>-</b>
<b>Net block</b>									
<b>As at 31<sup>st</sup> March 2018</b>	<b>387.50</b>	<b>330.06</b>	<b>153.74</b>	<b>3,285.60</b>	<b>34.15</b>	<b>283.64</b>	<b>37.72</b>	<b>4,512.41</b>	<b>408.11</b>
<b>As at 31<sup>st</sup> March 2017</b>	<b>393.75</b>	<b>-</b>	<b>166.90</b>	<b>3,408.57</b>	<b>41.67</b>	<b>255.53</b>	<b>35.51</b>	<b>4,301.93</b>	<b>387.94</b>
<b>As at 1<sup>st</sup> April 2016</b>	<b>400.00</b>	<b>-</b>	<b>190.49</b>	<b>3,482.86</b>	<b>55.29</b>	<b>312.14</b>	<b>28.86</b>	<b>4,469.64</b>	<b>381.12</b>

\* Represents deemed cost as fair value on the date of transition in accordance with Ind AS 101(refer note 45 )

- 3.1 Leasehold Land:**  
Leasehold Period: 95 years w.e.f. year 1984.  
Leasehold Installment: Nil
- 3.2** Other adjustment comprise exchange difference arising on translation/ settlement of long term foreign currency monetary items pertaining to acquisition of depreciable assets of **₹2.27 lacs (PY: ₹(2.39) Lacs)** capitalised.
- 3.3** Borrowing Cost Capitalised during the year aggregated to **₹4.69 lacs (Previous Year: ₹ 7.51 Lacs)**. (refer note no.33)
- 3.4** Contractual obligations
- 3.5** Refer note 38B for disclosure of contractual commitments for the acquisition of property, plant and equipment.  
As per the section 118(2)(h) of H.P. Tenancy & Land Reforms Act, 1972, freeholdland acquired during the year is required to put the land to use for industrial purpose within a period of 2 years extendable by 1 year, if required.
- 3.6** Leasehold land, Buildings and Property, plant and equipment is pledged against borrowings.
- 3.7** Capital Work in Progress includes the following expenses, capitalised.

Particulars	As at 1st April 2016	Additions during the year	Capitalised during the year	As at 31st March 2017	Additions during the year	Capitalised during the year	As at 31st March 2018
Finance Costs	36.80	7.51	-	44.31	4.69	-	49.01
Other Expenses	129.62	0.35	0.92	129.05	0.70	1.41	128.33
Total	166.42	7.86	0.92	173.36	5.39	1.41	177.34



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 3.8 Intangible Assets\*

(₹ in Lacs)

Particulars	Computer Software	Intangible Assets Under Development
<b>Cost/Deemed Cost</b>		
<b>As at 1<sup>st</sup> April 2016</b>	36.97	42.83
Additions	0.48	16.01
Disposals	-	
<b>As at 31<sup>st</sup> March 2017</b>	37.45	58.84
Additions	1.51	4.90
Disposals		
<b>As at 31<sup>st</sup> March 2018</b>	38.96	63.74
<b>Accumulated depreciation</b>		
<b>As at 1<sup>st</sup> April 2016</b>	25.09	-
Depreciation charged for the year	3.92	-
On disposals	-	-
<b>As at 31<sup>st</sup> March 2017</b>	29.01	-
Depreciation charged for the year	2.47	-
On disposals		
<b>As at 31<sup>st</sup> March 2018</b>	31.48	-
<b>Carrying Value</b>		
<b>As at 31<sup>st</sup> March 2018</b>	7.48	63.74
<b>As at 31<sup>st</sup> March 2017</b>	8.44	58.84
<b>As at 1<sup>st</sup> April 2016</b>	11.88	42.83

\*Other than internally generated

### 4. Asset classified as held for sale

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Freehold Land at Kandaghat Solan (refer note no.4.1.below)	191.86	195.86	195.86

4.1 Permission u/s 118 of HP Tenancy and land reforms Act,1972 is awaited.

### 5. Investments

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Investment(s) measured at Cost</b>			
<b>In Equity Instruments of</b>			
<b>(a) Associate Company</b>			
i) Unquoted Equity Instrument of "Shivalik Bimetal Engineers Private Limited" of face value Rs. 10/- each fully paid up	22.28	22.28	22.28
(No . Of Shares)	(222,750)	(222,750)	(222,750)

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>(b) Joint Venture Companies</b>			
i) Unquoted Equity Instrument of "Checon Shivalik Contact Solutions Private Limited" of face value Rs. 10/- each fully paid up	221.45	221.45	221.45
(No . of Shares)	(1,710,900)	(1,710,900)	(1,710,900)
ii) Unquoted Equity Instrument of "Innovative Clad Solutions Private Limited" of face value Rs. 10/- each fully paid up.	683.42	683.42	683.42
(No . of Shares)	(15,120,000)	(15,120,000)	(15,120,000)
<b>Investments measured at Fair Value Through Profit &amp; Loss</b>			
<b>(a) In Equity Shares of Other Company</b>			
ii) Unquoted Equity Instrument of "Shivalik Solid Waste Management Limited" of face value Rs. 10/- each fully paid up.	3.61	3.39	2.87
(No . of Shares)	(20,000)	(20,000)	(20,000)
	<b>930.76</b>	<b>930.54</b>	<b>930.02</b>

Investments in Associate and Joint-venture companies are stated at cost, using the exemption provided as per Ind AS 27 'Separate Financial Statements'

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Aggregate amount of unquoted investments	930.76	930.54	930.02
Aggregate amount of quoted investments	-	-	-
Aggregate amount of impairment in the valuation of Investment	-	-	-
	<b>930.76</b>	<b>930.54</b>	<b>930.02</b>

### 6. Loans- Non Current

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Unsecured, Considered Good			
Security Deposits			
Government Undertakings /Authorities	14.95	14.95	14.04
Related Parties	13.50	13.50	13.50
Others	5.87	5.33	5.14
	<b>34.32</b>	<b>33.78</b>	<b>32.68</b>

### 7. Other Financial Assets

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Margin Money Deposit *	0.55	1.27	10.88
	<b>0.55</b>	<b>1.27</b>	<b>10.88</b>

\*Represents Term deposit receipts pledged against Bank Guarantees issued and having maturity of more than 12 months



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 8. Current Tax Assets

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Income Tax Refundable	15.42	-	-
	<b>15.42</b>	<b>-</b>	<b>-</b>

### 9. Other Non Current Assets

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Capital Advances	43.53	19.49	15.60
Prepaid Expenses	7.45	1.95	1.71
	<b>50.98</b>	<b>21.44</b>	<b>17.31</b>

### 10. Inventories

(Carried at lower of Cost or Net realisable value)

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Raw Materials	2,125.38	1,483.63	1,519.47
Work-in-Progress	1,168.87	664.39	563.57
Finished goods	602.32	326.04	144.93
Stores, Spares and Packing Material	150.66	129.14	119.95
Scrap	12.86	3.31	0.90
	<b>4,060.09</b>	<b>2,606.51</b>	<b>2,348.82</b>

#### Material in Transit (included in Inventories, above )

i) Raw Material	146.27	143.71	200.52
ii) Stores, Spares and Packing Material	5.65	2.70	1.86
	<b>151.92</b>	<b>146.41</b>	<b>202.38</b>

### 11. Trade Receivables

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Secured, Considered Good	40.48	18.03	9.22
Unsecured, Considered Good			
Related Party	1.92	1.45	6.07
Others	3,316.63	2,622.11	2,410.08
Unsecured, Considered Doubtful	17.03	555.83	753.75
Less: Allowances for Credit Losses*	(17.03)	(555.83)	(753.75)
	<b>3,359.03</b>	<b>2,641.59</b>	<b>2,425.37</b>

\*In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



(i) Movements in allowance of credit losses of receivables;

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Balance at the beginning of the Year</b>	555.83	753.75
Charge in Statement of Profit and Loss	15.40	3.68
Release to Statement in Profit and Loss	-	-
Utilised during the Year*	554.20	201.60
<b>Balance at the end of the Year</b>	<b>17.03</b>	<b>555.83</b>

\*During the year, the Company has written off Irrecoverable trade receivables aggregating to ₹ 554.20 Lacs (Previous Year ₹201.60 Lacs).

### 12. Cash and Cash Equivalents

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Balances with banks in			
- Current Accounts	20.10	14.10	10.14
- Fixed Deposit	-	-	800.00
Cash on hand	2.48	3.82	1.45
	<b>22.58</b>	<b>17.92</b>	<b>811.59</b>

There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting period and prior periods.

### 13. Other Bank Balances

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Unpaid Dividend held in Bank Accounts	7.14	6.53	6.39
Margin Money Deposit against Bank Guarantee (s)*	5.37	84.95	72.46
	<b>12.51</b>	<b>91.48</b>	<b>78.85</b>

\*Deposits with maturity more than three months but less than 12 months, held by the Company are not available for use, as these are pledged with Banks against guarantee(s) given to Government authorities.

### 14. Loans-Current

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Unsecured, considered good			
Security Deposits	1.75	0.80	0.20
	<b>1.75</b>	<b>0.80</b>	<b>0.20</b>

### 15. Others Financial Assets

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Advances to Employees	0.64	1.10	0.37
Export Incentive Receivable	143.27	1.65	0.43
	<b>143.91</b>	<b>2.75</b>	<b>0.80</b>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 16. Other Current Assets

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Prepaid Expenses	128.15	45.89	23.38
Balances with Revenue authorities	860.04	383.35	210.83
Investment in Gold Coin	30.57	30.57	30.57
Advances to suppliers	11.04	21.73	36.84
Others	0.09	0.09	0.12
	<b>1,029.89</b>	<b>481.63</b>	<b>301.74</b>

### 17. Equity Share Capital

( ₹ in lacs, except per share data)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Authorised Share Capital:</b>			
Equity Shares of ₹ 2/- each (No . Of Shares)	1,500.00 (75,000,000)	1,500.00 (75,000,000)	1,500.00 (75,000,000)
<b>Issued Subscribed and Paid Up:</b>			
Equity Shares of ₹ 2/- each fully paid up (No . Of Shares)	768.06 (38,402,800)	384.03 (19,201,400)	384.03 (19,201,400)
<b>Total</b>	<b>768.06</b>	<b>384.03</b>	<b>384.03</b>

### 17.1 Reconciliation of Number of Shares

Particulars	Number of Shares	Amount (₹ in lacs)
<b>Balance as at 1<sup>st</sup> April,2016</b>	19,201,400	384.03
Shares Issued during the year	-	-
Shares Bought back during the year	-	-
<b>Balance as at 31<sup>st</sup> March,2017</b>	19,201,400	384.03
Shares Issued during the year	-	-
Shares Issued as Bonus Shares	19,201,400	384.03
Shares Bought back during the year	-	-
<b>Balance as at 31<sup>st</sup> March,2018</b>	<b>38,402,800</b>	<b>768.06</b>

**17.2** The Company has only one class of shares referred to as Equity shares having par value of ₹2/-. The holder of Equity Share is entitled to one vote per share.

**17.3** In the event of liquidation of the Company, the residual interest in the company's net assets shall be distributed to the shareholders in the proportion to the equity shares held.

**17.4** a) During the year, the company has paid an interim dividend of ₹0.30 per share for FY 17-18 and final dividend of ₹0.25 per share for FY 16-17 which resulted in a cash outflow of ₹ 196.44 lacs inclusive of corporate dividend tax.

b) The Board of Directors, in its meeting held on 28<sup>th</sup> May, 2018 have proposed a final dividend of ₹ 0.30 per equity share for the financial year ended 31<sup>st</sup> March 2018. The proposal is subject to the approval of shareholders at the forthcoming Annual General Meeting and if approved would result in cash outflow of approximately ₹138.90 lacs including corporate dividend tax.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



**17.5** The Company has issued and allotted 1,92,01,400 equity shares to the eligible holders of equity shares, on the record date i.e. 6<sup>th</sup> October 2017 as bonus equity shares by capitalising reserves, on 9<sup>th</sup> October 2017. The earnings per shares figures for the year ended 31<sup>st</sup> March 2018 and Year ended 31<sup>st</sup> March 2017 have been reinstated to give effects to the allotment of bonus shares, as required by Ind AS 33.(refer note 37)

**17.6** The Company does not have a holding company

**17.7** Shareholders holding more than 5% shares

Name of Shareholders	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. N. S. Ghuman	2,994,000	7.80	1,465,000	7.63
O D Finance and Investment Pvt. Ltd.	5,046,978	13.14	2,488,989	12.96
TSL Holdings Limited	5,580,400	14.53	2,790,200	14.53
Angad Estates Pvt. Ltd.	3,310,000	8.62	1,655,000	8.62

### 18. Other Equity

(₹ in lacs)

Particulars	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance as at 1<sup>st</sup> April,2016</b>	<b>0.57</b>	<b>2,437.07</b>	<b>3,505.19</b>	<b>5,942.83</b>
Profit for the year	-	-	862.24	862.24
Other Comprehensive income for the year (net of tax)	-	-	(7.17)	(7.17)
<b>Transactions with owners</b>				
Dividend paid	-	-	(48.00)	(48.00)
Tax on Dividend	-	-	(9.77)	(9.77)
Transfer to General Reserves	-	200.00	(200.00)	-
<b>Balance as at 31<sup>st</sup> March,2017</b>	<b>0.57</b>	<b>2,637.07</b>	<b>4,102.49</b>	<b>6,740.13</b>
Profit for the year	-	-	1,598.69	1,598.69
Other Comprehensive income for the year (net of tax)	-	-	0.35	0.35
<b>Transactions with owners</b>				
Dividend paid	-	-	(163.21)	(163.21)
Tax on Dividend	-	-	(33.23)	(33.23)
Issue of Bonus Shares	-	-	(384.03)	(384.03)
<b>Balance as at 31<sup>st</sup> March,2018</b>	<b>0.57</b>	<b>2,637.07</b>	<b>5,121.06</b>	<b>7,758.70</b>

**i) Capital reserve :** Reserve is primarily created due to Interest received in Calls in arrears.

**ii) General reserve :** Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the General reserves.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 19. Borrowings

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Secured</b>			
From Banks(*)			
Foreign Currency Loan	-	44.00	60.96
Rupee Loan	134.14	153.50	117.88
Vehicle Loan	0.71	11.19	34.50
<b>Unsecured</b>			
From Related Parties	609.31	327.24	328.65
<b>Total (1)</b>	<b>744.16</b>	<b>535.93</b>	<b>541.99</b>

(\*) Comprise of Term loan which is secured by first charge on Plant & Equipment, both present and future and equitable mortgage of Company's Factory Leasehold Land and Building, situated at Chambaghat, Solan, (H.P.) and Vehicle loan which is secured by hypothecation of vehicles.

(1) Refer note no.24:- Current Maturities of long term borrowings

Rupees loan from banks is repayable in equal instalments ending on 31<sup>st</sup> March, 2021 and Unsecured Loan from related party ends on 08<sup>th</sup> December, 2022.

### 20. Provisions

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Compensated absence	29.41	26.66	22.90
	<b>29.41</b>	<b>26.66</b>	<b>22.90</b>

### 21. Deferred Tax Liabilities (Net)

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Deferred Tax Liabilities/ (Assets) in relation to</b>			
Property, Plant and Equipment & Intangible assets	482.78	581.06	548.58
Employee Benefits	(9.50)	(12.68)	(15.89)
Debtors	(4.96)	(192.36)	(249.21)
Unabsorbed Loss	(2.03)	(2.41)	(2.30)
Others	(7.43)	-	(0.16)
<b>Total</b>	<b>458.86</b>	<b>373.61</b>	<b>281.02</b>

Movement in deferred tax account for the year

Particulars	Charged to PL during the year ended March 2018	Charged to PL during the year ended March 2017
Property, Plant and Equipment & Intangible assets	(98.28)	32.48
Employee Benefits	3.18	3.21
Debtors	187.40	56.85
Unabsorbed Loss	0.38	(0.11)
Others	(7.43)	0.16
<b>Total</b>	<b>85.25</b>	<b>92.59</b>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 22. Borrowings-Current

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Secured</b>			
<b>From Banks<sup>(1)</sup></b>			
Foreign Currency Loan	1,923.27	1,567.72	2,194.88
Rupee Loan	379.11	426.82	952.63
	<b>2,302.38</b>	<b>1,994.54</b>	<b>3,147.51</b>

<sup>(1)</sup>Secured by hypothecation of inventory, movable properties and Book Debts, both present and future, and equitable mortgage of company's Factory Leasehold Land and Building situated at Chambaghat Solan, Himachal Pradesh.

Foreign Currency loan represents trade finance payable in 180 days and rupee loan is repayable on demand.

### 23. Trade Payables

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Micro, Small and Medium Enterprises (refer note no.40)	7.14	2.38	1.29
Related Parties	52.85	81.16	27.65
Others	1,680.37	733.22	576.86
	<b>1,740.36</b>	<b>816.76</b>	<b>605.80</b>

### 24. Other Financial Liabilities

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Current maturities of long-term borrowings (refer note no.19)	543.18	333.43	517.85
Interest accrued but not due on borrowings	10.08	7.15	6.96
Interest accrued and due on borrowings	2.08	2.70	4.25
Unclaimed dividends	7.14	6.53	6.39
Bonus Payable	48.16	43.24	66.34
Expenses Payable	98.46	117.85	60.63
Others	83.55	71.61	63.45
	<b>792.65</b>	<b>582.51</b>	<b>725.87</b>

### 25. Other Current Liabilities

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Statutory Dues	69.14	70.55	58.65
Advance from Customers	76.88	45.06	127.52
Advance from Others	26.26	126.26	125.00
	<b>172.28</b>	<b>241.87</b>	<b>311.17</b>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 26. Provisions- Current

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Compensated absence	2.89	2.42	2.10
Gratuity	7.79	19.07	7.07
Excise Duty	-	26.64	14.35
	<b>10.68</b>	<b>48.13</b>	<b>23.52</b>

### 27. Current Tax Liabilities

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Provision for Tax (Net of Advance Tax)	67.85	38.55	72.95
	<b>67.85</b>	<b>38.55</b>	<b>72.95</b>

### 28. Revenue from Operations

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Sale of products (including Excise Duty)	15,912.15	12,408.51
Sale of Services	71.96	145.53
Other Operating Revenues	183.86	2.95
	<b>16,167.97</b>	<b>12,556.99</b>

### 29. Other Income

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Interest on deposits	3.34	5.75
Rent Received	3.60	3.60
Miscellaneous Income	43.96	1.50
Exchange Fluctuation Gain	179.03	195.69
Income from fair value changes	0.22	0.53
	<b>230.15</b>	<b>207.07</b>

### 30. Cost of Materials Consumed

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Raw Material Consumed	8,953.47	6,487.90
	<b>8,953.47</b>	<b>6,487.90</b>

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 31. Decrease/(Increase) in Inventories of Finished Goods and Work-in Progress

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018		Year Ended 31 <sup>st</sup> March 2017	
<b>Inventory (at Beginning)</b>				
-Finished Goods	326.05		144.92	
-Work-in-Progress	664.39		563.58	
-Scrap	3.31	993.75	0.90	709.40
<b>Inventory (at Close)</b>				
-Finished Goods	602.32		326.05	
-Work-in-Progress	1,168.87		664.39	
-Scrap	12.87	1,784.06	3.31	993.75
<b>(Increase)/Decrease</b>		<b>(790.31)</b>		<b>(284.35)</b>

### 32. Employee Benefit Expenses

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Salaries and Wages	1,230.92	1,038.12
Contributions to -		
(i) Provident fund	72.38	59.98
(ii) ESI Contribution	15.66	11.46
(iii) Gratuity Expenses	16.14	14.17
Staff welfare expenses	112.80	117.71
	<b>1,447.90</b>	<b>1,241.44</b>

#### 32.1 Disclosure pursuant to Ind AS 19 “Employee Benefits”:

The disclosures required under Ind AS 19 “Employee Benefits” notified in the Companies (Accounting Standards) Rules 2006, are given below:

#### (I) Defined Contribution Plan

- (a) Provident Fund
- (b) State defined contribution plans
  - Employees’ Pension Scheme 1995

The Provident Fund and State defined contribution plan are operated by the regional provident fund commissioner. Under the scheme, the company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. These funds are recognized by the Income tax authorities.

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

( ₹ in lacs)

Particulars	2017-18	2016-17
(a) Employer’s Contribution to Provident Fund	46.15	36.27
(b) Employer’s Contribution to Pension Scheme	26.23	23.71

#### (II) Defined Benefit Plan

- (a) Gratuity



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



The employees' Gratuity fund scheme has been managed by Life Insurance Corporation of India and the present value of obligation is determined by Independent Actuary using the Projected Unit Credit (PUC) Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Actuary has carried out the valuation based on the followings assumptions:

Particulars	2017-18	2016-17
Discounting Rate (per annum)	7.73%	7.54%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Expected Average remaining working lives of employees in no. of years	20.52	20.63
Mortality Table	IALM (2006-08)	
	( ₹ in lacs)	

Particulars	Gratuity (Funded)	
	2017-18	2016-17
<b>(a) Changes in Present Value of Obligation</b>		
Opening balance of Present value of obligation	172.46	147.74
Interest Cost	13.00	11.82
Current Service Cost	14.70	13.60
Benefits Paid	(3.49)	(12.08)
Actuarial (Gain)/Loss arising from change in financial assumption	(3.79)	8.07
Actuarial (Gain)/Loss arising from experience adjustment	4.40	3.32
Closing Balance of Present value of obligation	197.28	172.46
<b>(b) Changes in Fair Value of Plan Assets</b>		
Opening balance of Fair Value of Plan Assets	153.39	140.67
Expected Return on Plan Assets	11.56	11.25
Employer's Contribution	24.89	13.13
Benefits paid	(3.49)	(12.08)
Actuarial Gain/ (Loss) on Plan Assets	1.14	0.42
Closing balance of Fair value of Plan Assets	187.49	153.39
Actual return on Plan Assets	12.70	11.67
<b>(c) Percentage of each category of Plan Assets to total Fair value of Plan assets</b>		
Administered by Life Insurance Corporation of India	100%	100%
<b>(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets</b>		
Closing Balance of Present Value of Obligation	197.28	172.46
Closing Balance of Fair Value of Plan Assets	187.49	153.39
(Asset)/ Liability recognised the Balance Sheet	9.79	19.07
<b>(e) Amount Recognised in the Balance Sheet</b>		
Closing Balance of Present Value of Obligation	197.28	172.46
Closing Balance of Fair Value of Plan Assets	187.49	153.39
Funded (Asset)/ Liability recognized in the Balance Sheet	9.79	19.07
Unfunded Liability recognised in the Balance Sheet	-	-

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



Particulars	Gratuity (Funded)	
	2017-18	2016-17
<b>(f) Expenses recognised in the statement of Profit and Loss</b>		
Current Service Cost	14.70	13.60
Interest Cost	13.00	11.82
Expected Return on Plan Assets	(11.56)	(11.25)
Expenses recognized in the statement of Profit and Loss	16.14	14.17
<b>Remeasurement of Defined Benefit Obligation</b>		
Actuarial (Gain)/Loss arising from change in financial assumption	(3.79)	8.07
Actuarial (Gain)/Loss arising from experience adjustment	4.40	3.32
Return on plan assets	(1.14)	(0.42)
Expenses recognized in the statement of Other Comprehensive Income	(0.53)	10.97
<b>(g) Experience Adjustments</b>		
Experience adjustment on Plan Liabilities (loss)/gain	(0.60)	(11.39)
Experience adjustment on Plan Assets (loss)/ gain	1.14	0.42
<b>(h) Sensitivity Analysis of the defined benefit obligation</b>		
a) Impact of the change in discount rate		
Present value of the obligation at the end of the period	197.28	172.46
Impact due to increase of 0.50%	(9.51)	(8.87)
Impact due to decrease of 0.50%	10.29	9.51
b) Impact of the change in salary increase		
Present value of the obligation at the end of the period	197.28	172.46
Impact due to increase of 0.50%	9.75	9.61
Impact due to decrease of 0.50%	(9.11)	8.93

### i) Maturity Profile of Defined Benefit Obligation

Year	Amount
0 to 1 Year	13,62,449
1 to 2 Year	4,88,385
2 to 3 Year	4,41,884
3 to 4 Year	7,43,496
4 to 5 Year	3,02,782
5 to 6 Year	3,00,175
6 Year onwards	1,60,88,896

### (b) Compensated Absence

The obligation for compensated absence is recognised in the same manner as Gratuity.





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 33. Finance Costs

(₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Interest expense on		
(i) Borrowings	174.00	162.28
(ii) Others	1.08	4.81
(iii) Interest on Income Tax	6.85	6.60
Other Borrowing costs	75.03	62.58
Exchange difference regarded as an adjustment to borrowing cost	78.86	25.49
<b>Total</b>	<b>335.82</b>	<b>261.76</b>
Less: Transferred to CWIP (refer note no 3.3)	4.69	7.51
<b>Finance Costs transferred to Statement of Profit &amp; Loss Account</b>	<b>331.13</b>	<b>254.25</b>

### 34. Manufacturing & Other Expenses

(₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Stores & Spares Consumed	275.70	230.90
Power & Fuel	189.64	178.17
Job Work Expenses	52.00	95.53
Machinery Repairs	199.28	178.68
Research & Development (refer note no.39)	145.86	19.24
Electricity and Water Charges	12.52	12.58
Watch & Ward Expenses	5.90	5.80
Building Repairs	55.22	46.67
Other Repairs	94.88	111.86
Insurance	13.66	7.05
Rent, Rates and Taxes	127.75	102.01
Travelling & Conveyance	121.32	114.49
Printing & Stationery	15.67	19.01
Communication Expenses	20.97	20.94
Professional and Consultancy Charges	162.59	55.39
Payment to Auditors (refer note no.-34.1)	21.40	40.27
CSR Expenditure (refer note no.-34.2)	20.73	14.54
Miscellaneous Expenses	45.39	51.18
Business Promotion /Development, Advertisement & Publicity	19.63	16.45
Commission on Sales	959.89	476.83
Packing Cost	483.90	332.25
Forwarding & Freight	579.21	388.85
Profit and Loss on Sale of Fixed Assets	0.01	-
Provision for Expected Credit Losses (refer note 11)	15.40	3.68
Change in Excise Duty on Closing Stock	(26.64)	12.29
	<b>3,611.88</b>	<b>2,534.66</b>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 34.1 Payment to Auditors as:

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Auditor:		
Statutory Audit fees	10.00	18.00
Tax Audit Fees	-	7.00
Certification and Consultation fee*	11.40	15.27
	<b>21.40</b>	<b>40.27</b>

\* Includes payments to previous auditors

### 34.2 CSR Expenditure

- (a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the Year is ₹ 19.95 lakhs (Previous Year ₹ 14.15 lakhs)
- (b) Expenditure related to Corporate Social Responsibility is ₹ 20.73 Lakhs (Previous Year ₹ 14.54 Lakhs)

- Amount spent during the year:

Particulars	In Cash	Yet to be paid in Cash	Total
On Construction/Acquisition of any asset	-	-	-
on Purpose other than the above	20.46	0.27	20.73

### 35. Exceptional Items (Income)/Expenses

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Exceptional Items Expenses		
-Loss on Sale of Fixed Assets	-	8.77
	-	8.77
Exceptional Items Income		
-Liabilities/Provisions Written Back	1.24	3.95
- Profit on Sale of Assets	-	1.58
	<b>1.24</b>	<b>5.53</b>
<b>Net (Income)/Expenses</b>	<b>(1.24)</b>	<b>3.24</b>

### 36. Income Tax Expense recognised in the profit and loss account.

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
<b>Current Tax:</b>		
In respect of the Current Year	564.82	437.20
In respect of the Previous Year	(62.77)	2.76
<b>Deferred Tax:</b>		
In respect of the Current Year	85.25	92.59
<b>Income Tax Expense recognised in the Statement of Profit &amp; Loss</b>	<b>587.30</b>	<b>532.55</b>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### Effective Tax Reconciliations

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Profit before tax</b>	2,185.99	1,394.79
Applicable Tax rate	34.608%	34.608%
Computed tax expense	756.53	482.71
<b>Tax effect of;</b>		
Income Exempt from taxation	0.08	0.07
Weighted deduction on research and development expenditure	(25.24)	-
Excess interest/provision	-	11.20
Expense Disallowed	5.22	16.10
Effect of change in tax rate	(86.27)	13.13
Earlier year tax	(62.77)	2.76
Others	(0.25)	6.58
Tax Expense recognised in Statement of Profit and Loss	587.30	532.55

### 37. Earnings Per Share

(₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Net Profit attributable to shareholders (₹ in lacs)	1,599.04	855.07
Weighted average number of equity Shares	38,402,800	38,402,800*
Basic and Diluted Earnings per share (₹)	4.16	2.23
Face Value per Equity Share (₹)	2	2

\* The earning per share figures for the year ended 31<sup>st</sup> March 2017 have been restated to give effect to the allotment of bonus shares, as required by Ind AS 33.

### 38. Contingent Liabilities in respect of:

(₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
<b>(A) Contingent Liabilities</b>		
(I) Claim Against the Company Not Acknowledged as Debts*	17.87	17.87
(II) Guarantees		
a. Letters of Credit established by the bank	984.17	563.10
b. Corporate Guarantee(s) on behalf of JV/ Associate Company	966.50	737.00
c. Surety with Sales Tax Department	5.00	5.00
(III) Other Money for which the Company is Contingently Liable		
a. Buyers Credit Interest payable	4.45	6.27
b. Customs duty on Material imported against Advance License /Annexure, for pending export obligation	528.91	280.19

\*Demand raised by Central Excise & Service Tax Commissionerate towards Cenvat Credit of excise duty ₹17.87 lacs (Previous Year ₹ 17.87 lacs). However the Company has been legally advised that the demand is not enforceable against the Company, being bad in law.

#### (B) Commitments

Estimated amount of contracts (net of advances) exceeding ₹ 1.00 lakh in each case remaining to be executed on capital account and not provided for	156.41	314.38
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## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 39. Details of Research and Development Expenditure

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Capital	91.97	65.55
Revenue	53.89	19.24
<b>Total</b>	<b>145.86</b>	<b>84.79</b>

### 40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006

(MSMED Act, 2006) and based on the information available with the Company, the following are the details:

₹ in lacs

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	7.14	2.38	1.29
The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprise development Act, 2006.	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied by the auditors

41. Customs Duty not provided for in respect of materials lying in Bonded Warehouses / Materials in Transit as on Balance Sheet date, is of ₹ 75.07 lacs inclusive of Cenvatable amount of ₹ 53.00 lacs (Previous Year ₹ 103.39 lacs inclusive of Cenvatable amount of ₹ 77.77 lacs). However, the above policy has no impact on the operating results of the Company.
42. The Company's activities involve predominantly one operating segment i.e. Process and product Engineering, which are considered to be within a single operating segment since these are subject to similar risks and returns. Accordingly, Process and Product Engineering comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by Ind AS 108- Segment Reporting has been disclosed as below.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### a) Revenue from Operations

(₹ in lacs)

Particulars	India		Rest of world		Total	
	Year Ended March 18	Year Ended March 17	Year Ended March 18	Year Ended March 17	Year Ended March 18	Year Ended March 17
Segment Revenue	7,458.61	5,745.96	8,255.82	5,984.09	15,714.43	11,730.05

### b) Non Current Operating assets

All Non Current Assets other than financial instruments, deferred tax assets of the company are located in India.

### 43. “Related Party Disclosure” for the year ended 31<sup>st</sup> March, 2018 in accordance with Ind AS 24:

- (i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Party	Relationship
1.	Checon Shivalik Contact Solutions Pvt. Ltd.	Joint Venture
2.	Innovative Clad Solutions Pvt. Ltd.	
3.	Shivalik Bimetal Engineers Pvt. Ltd.	Associate
4.	Mr. S. S Sandhu	Key Managerial Personnel (KMP)
5.	Mr. N. S. Ghumman	
7.	Mr. Kabir Ghumman	Relative of Key Managerial Personnel
8.	Mr. Sumer Ghumman	
9.	TSL Holdings Ltd.	Enterprises over which Key Managerial Persons are able to exercise significant influence
10.	Angad Estates Pvt. Ltd.	
11.	Amar Engineering Company Pvt. Ltd.	
12.	Ultra Portfolio Management Pvt. Ltd.	
13.	O.D.Finance and Investment Pvt. Ltd.	
14.	Sahiba Ruhani Estates Private Limited	
15.	ABS Foundation	
16.	Mr. Rohit Kapoor	Independent Directors
17.	Mr. Nirmaljeet Singh Gill	
18.	Mr. Gurmeet Singh Gill	
19.	Mr. J.S.Mann	
20.	Lt. Gen. Pradeep Khanna	
21.	Mrs. Harpreet Kaur	

### (ii) Transactions during the year with related parties:

(₹ in lacs)

Sr. No.	Nature of Transactions	Joint Venture	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence	Independent Directors
1.	Job Work Income	4.77 (9.47)					
2.	Rent Received		3.60 (3.60)				
3.	Job Work Expense	- (0.07)	57.31 (37.75)				
4.	Goods Sold	10.98 (6.71)					

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



Sr. No.	Nature of Transactions	Joint Venture	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence	Independent Directors
5.	Sale of Fixed Assets	- (1.46)					
6.	Goods Purchased	328.40 (582.19)	70.34 (86.76)				
7.	Reimbursement of Expenses(Net)	5.16 (5.52)	- (0.22)				
8.	Managerial Remuneration			361.64 (225.27)			
9.	Sitting Fees						0.64 (0.52)
10.	Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit.				38.62  (40.79)		
10.1	Gratuity and Earned Leave Benefits				1.33  (1.10)		
10.	Rent Paid				3.80 -	80.20 (68.46)	
11.	CSR Expenditure					9.00 -	
12.	Unsecured Loans						
i)	Taken					666.00 (217.55)	
ii)	Repaid					230.62 (171.91)	
13.	Finance Costs					86.78 (59.78)	

### Balances as at 31<sup>st</sup> March 2018

14.	Investments	904.88 (904.88)	22.28 (22.28)		
15.	Security Deposits				13.50 (13.50)
16.	Unsecured Loans				919.10 (483.72)
17.	Payable	4.71 -	47.74 (26.95)	0.41 -	
18.	Receivable	1.92 (1.45)			

Figures in ( ) indicate previous year's figures.

### 44. FINANCIAL INSTRUMENTS

#### 44.1 Capital Management

The Company's capital management objectives are;

- to maintain healthy Credit rating, Capital Ratios and Leverage.
- to maximise return to the Shareholders.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings.

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Non Current Borrowings ( Incl Current Maturities)	1,299.50	879.21	1,071.05
Short Term Borrowings	2,302.38	1,994.54	3,147.51
Less: Cash and cash equivalents	22.58	17.92	811.59
Less: Bank Balance other than Cash and Cash Equivalents	12.51	91.48	78.85
Less: Investment in Gold Coins	30.57	30.57	30.57
Net debt	3,536.22	2,733.78	3,297.55
Total equity (as shown on the face of balance sheet)	8,526.76	7,124.16	6,326.86
Net debt to equity ratio (Gearing Ratio)	41%	38%	52%

#### 44.2 Financial Instruments by categories

(₹ in lacs)

Particulars	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments*	3.61	-		3.39	-	-	2.87	-	-
Loans	-	-	36.07	-	-	34.58	-	-	32.88
Trade receivables	-	-	3,359.03	-	-	2,641.59	-	-	2,425.37
Cash and cash equivalents	-	-	22.58	-	-	17.92	-	-	811.59
Other bank balances	-	-	12.51	-	-	91.48	-	-	78.85
Other Financial Assets	-	-	144.47	-	-	4.02	-	-	11.68
Total	3.61	-	3,574.65	3.39	-	2,789.59	2.87	-	3,360.37
Financial liabilities									
Borrowings	-	-	3,601.88	-	-	2,873.75	-	-	4,218.56
Trade payable	-	-	1,740.36	-	-	816.76	-	-	605.80
Other financial liabilities	-	-	237.31	-	-	239.23	-	-	196.81
Total	-	-	5,579.55	-	-	3,929.74	-	-	5,021.17

#### Fair Value Measurement

- i) Carrying amount of Financial assets and financial liabilities recorded at amortized cost approximates their fair value.
- ii) Investment in Equity instrument of other companies is measured at its fair value using Level 3 valuation techniques.



### 44.3 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk, Foreign Currency Risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

### 44.4 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness.

#### a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. The company has a policy of only dealing with credit worthy parties.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

#### Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

#### b) Expected credit losses

The Company provides for expected credit losses based on the following:

The company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables.

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		As at 1 <sup>st</sup> April 2016	
	>3 Years	0-3 Years	>3 Years	0-3 Years	>3 Years	0-3 Years
Gross amount of trade receivables where no default (as defined above) has occurred	-	3,376.06	545.27	2,652.15	744.07	2,435.05
Expected loss rate	-	0.50%	100%	0.40%	100%	0.40%
Expected credit loss (loss allowance provision)	-	17.03	545.27	10.56	744.07	9.68

#### Reconciliation of loss provision – lifetime expected credit losses

Loss allowance as on 1 <sup>st</sup> April 2016	753.75
Impairment loss recognised during the year	3.68
Amounts written off	201.60
Loss allowance on 31 <sup>st</sup> March 2017	555.83
Impairment loss recognised during the year	15.40
Amounts written off	554.20
Loss allowance on 31 <sup>st</sup> March 2018	17.03

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 44.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management measures involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these obligations.

#### Maturities of financial liabilities

The tables below analyses the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. For balances due within 12 months amounts equal their carrying values as the impact of discounting is not significant.

(₹ in lacs)

As at 31 <sup>st</sup> March 2018	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Long term borrowings (including interest)	555.35	388.17	192.68	163.30	1,299.50
Short term borrowings	2,302.38	-	-	-	2,302.38
Trade payable	1,740.36	-	-	-	1,740.36
Other financial liabilities	237.31	-	-	-	237.31
<b>Total</b>	<b>4,835.40</b>	<b>388.17</b>	<b>192.68</b>	<b>163.30</b>	<b>5,579.55</b>

As at 31 <sup>st</sup> March 2017	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Long term borrowings (including interest)	343.29	286.03	194.92	54.97	879.21
Short term borrowings	1,994.54				1,994.54
Trade payable	816.76				816.76
Other financial liabilities	239.23				239.23
<b>Total</b>	<b>3,393.82</b>	<b>286.03</b>	<b>194.92</b>	<b>54.97</b>	<b>3,929.74</b>

As at 1 <sup>st</sup> April 2016	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Long term borrowings (including interest)	529.06	188.38	223.84	129.77	1,071.05
Short term borrowings	3,147.51				3,147.51
Trade payable	605.80				605.80
Other financial liabilities	196.81				196.81
<b>Total</b>	<b>4,479.18</b>	<b>188.38</b>	<b>223.84</b>	<b>129.77</b>	<b>5,021.17</b>

### 44.6 Market Risk

The company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The company seeks to minimize the effects of these risks by minutely observing the variation and fluctuation on regular basis. Compliance of exposure volume is reviewed by the management on real time basis and taking corrective measures as and when required.

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 44.7 Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company.

#### (i) Foreign currency risk exposure:

The Companies exposure to foreign currency risk at the end of the reporting period are as follows

(₹ in lacs)

Particulars	FC	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
		FC (Nos)	Amount	FC (Nos)	Amount
<b>Financial Liabilities</b>					
Loans	EURO	1,668,487	1,345.17	369,866	256.12
	USD	855,193	556.25	2,218,964	1,438.74
Creditors	EUR	162,797	131.25	106,261	73.58
	USD	1,167,894	759.65	330,708	214.43
Others	EUR	1,336	1.08	826	0.57
	USD	7,036	4.58	67,785	43.95
<b>Financial assets</b>					
Debtors	EUR	562,657	453.63	374,793	259.53
	USD	1,799,061	1,170.18	1,438,031	932.40
Cash & Bank Balance	EUR	687	0.55	4,004	2.77
	USD	6,663	4.33	2,777	1.80
<b>Net exposure to foreign currency risk (Liabilities)</b>	EUR	<b>1,269,276</b>	<b>1,023.32</b>	<b>98,156</b>	<b>67.97</b>
	USD	<b>224,399</b>	<b>145.96</b>	<b>1,176,649</b>	<b>762.92</b>

Sensitivity analysis of 5% change in the exchange rate at the end of reporting period

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>5% Depreciation in INR</b>		
USD sensitivity	145.96	762.92
Impact on Equity and Profit and Loss	(7.30)	(38.15)
Euro Sensitivity	1,023.32	67.97
Impact on Equity and Profit and Loss	(51.17)	(3.40)
<b>5% Appreciation in INR</b>		
USD sensitivity	145.96	762.92
Impact on Equity and Profit and Loss	7.30	38.15
Euro Sensitivity	1,023.32	67.97
Impact on Equity and Profit and Loss	51.17	3.40

### 44.8 Interest rate risk

#### i) Liabilities

Interest rate risk is the risk that the fair value or future cash flows of a financial Assets/Liabilities because of changes in market interest rates. The company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates.

#### ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Variable rate borrowing	2,302.38	1,994.54	3,147.51
Fixed rate borrowing	1,299.51	879.21	1,071.05
Total borrowings	3,601.88	2,873.75	4,218.56

### Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
	Equity and Profit & Loss Account	Equity and Profit & Loss Account	Equity and Profit & Loss Account
Interest sensitivity*			
Interest rates – increase by 1%	(23.02)	(19.95)	(31.48)
Interest rates – decrease by 1%	23.02	19.95	31.48

### 44.9 Price Risk

The Company does not have significant exposure to price risk on its financial assets and liabilities.

## 45. First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31<sup>st</sup> March 2018, the comparative information presented in these financial statements for the year ended 31<sup>st</sup> March 2017 and in the preparation of an opening Ind AS balance sheet at 1<sup>st</sup> April 2016 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial statements is set out in the following tables and notes.

### 45.1 Exemptions and exceptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following material exemptions:

**a) Deemed cost as fair value for Property, Plant and Equipment**

In Accordance with Ind AS-101, company has elected to measure items of its Property, Plant and Equipment at their fair value at the date of transition to Ind ASs and use that fair value as its deemed cost at that date. The resultant impact being accounted for in the reserves. The aggregate fair value of Property, Plant and Equipment where the exemption is availed amounted to ₹ 4,469.64 Lacs with an aggregate upward adjustment of ₹1,406.92 Lacs being recognised to the carrying value reported under previous GAAP.

**b) Deemed cost of investment in Associates and Joint Ventures**

Ind AS 101 allows an entity to treat Previous GAAP carrying value or fair value on the date of transition to Ind AS as deemed cost for investments held in associates and joint ventures. Accordingly, the Company has elected to treat fair value of one of the investment in Joint ventures at deemed cost and carrying value as deemed cost in case of other investments. The aggregate transition date fair value of such investments was ₹ 683.42 Lacs with a downward adjustment of ₹ 828.59 Lacs being recognised to the carrying value reported under the Previous GAAP, while the aggregate carrying value of the investments for which Previous GAAP carrying value has been considered deemed cost was ₹ 243.73.

**c) Long Term Foreign Currency Monetary Item**

For its Long Term Foreign Currency Monetary Items, the Company has opted to continue its Previous GAAP policy for accounting of exchange differences arising from the translation of long-term foreign currency monetary. Accordingly exchange differences, arising on translation/ settlement of long term foreign currency monetary items recognised before 1<sup>st</sup> April 2017, pertaining to the acquisition of a depreciable assets, are adjusted to the cost of the asset.

The Company has applied the following mandatory exceptions:

**a) Estimates**

The estimates as at 1<sup>st</sup> April 2016 and as at 31<sup>st</sup> March 2017 are consistent with those made for the same dates in accordance with Previous GAAP apart from the impairment of financial assets based on Expected Credit Loss (ECL) model where application of Previous GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1<sup>st</sup> April 2016 the date of transition to Ind AS, and as of 31<sup>st</sup> March 2017.

**b) Classification of financial assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

### 45.2 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS:

**A) Reconciliation of Total Equity as at 1<sup>st</sup> April 2016 and 31<sup>st</sup> March 2017**

(₹ in Lacs)

Particulars	Notes	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Total equity as reported under Previous GAAP</b>		<b>7,348.82</b>	<b>6,499.08</b>
Impact of adopting fair value as deemed cost for property, plant and equipment	1	1,305.88	1,399.91
Impact of adopting fair value as deemed cost for investment in joint venture	1	(828.59)	(828.59)



### Notes to reconciliations

#### 1) Impact of adopting fair value as deemed cost for property, plant and equipment

In accordance with the optional exemption included in note 44.1(a) and (b) above, the Company recorded items of its property, plant and equipment and certain investments in associate/ joint venture at fair value on the date of transition to Ind AS.

#### 2) Impact of measuring equity investments at fair value through Profit or Loss (FVTPL)

Ind AS requires investments in equity shares other than in subsidiaries, joint ventures and associates to be measured at fair value. The Company has classified one such investment to be measured at fair value through profit and loss.

#### 3) Adjustment on account of expected credit losses

Under the previous GAAP, the provision for doubtful receivables was recognized based on specific assessment of individual customers. Under Ind AS, the Company has recognised impairment loss on trade receivables based on the expected credit loss model where expected a probability weighted expectation life time credit loss is recognised.

#### 4) Spares capitalised

Under previous GAAP spares were recognised as inventory and charged to Profit and Loss upon issuance was charged to Profit and Loss unless it increased the future benefits from the existing asset beyond its previously assessed standard of performance.

Under Ind AS spares have been capitalised if they were held by the Company for use in business and that is expected to be used for more than one year. The adjustment results in upward movement of ₹ 6.98 lacs in Property, plant and equipment.

#### 5) Deferred tax adjustments on Ind AS adjustments

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period.

Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transition adjustments have also lead to recognition of deferred tax on new temporary differences.

#### 6) Remeasurement of defined benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements formed part of the profit or loss for the year.

### Effect of Ind AS Adoption on the Standalone Balance Sheet as at 1<sup>st</sup> April, 2016

		As at 1 <sup>st</sup> April, 2016			
	BALANCE SHEET	Note ref	Previous GAAP*	Effect of Transition to Ind AS	As per Ind AS
<b>I.</b>	<b>ASSETS</b>				
	<b>Non-current assets</b>				
	(a) Property Plant & Equipment	1, 4	3,062.72	1,406.92	4,469.64
	(b) Capital Work-In-Progress		381.12	-	381.12
	(c) Intangible assets		11.88	-	11.88
	(d) Intangible Assets Under Development		42.83	-	42.83
	(e) Financial Assets				
	(i) Investments	1, 2	1,757.73	(827.71)	930.02





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



		As at 1 <sup>st</sup> April, 2016			
	BALANCE SHEET	Note ref	Previous GAAP*	Effect of Transition to Ind AS	As per Ind AS
	(ii) Loans		32.68	-	32.68
	(iii) Other Financial Assets		10.88	-	10.88
	(f) Other Non Current Assets		17.31	-	17.31
	<b>Current assets</b>				
	(a) Inventories	4	2,361.13	(12.31)	2,348.82
	(b) Financial Assets				
	(i) Trade receivables	3	3,079.74	(654.37)	2,425.37
	(ii) Cash and cash equivalents		811.59	-	811.59
	(iii) Other Bank Balances		78.85	-	78.85
	(iv) Loans		0.20	-	0.20
	(v) Others Financial Assets		0.80	-	0.80
	(c) Other current assets		301.74	-	301.74
	Assets classified as held for Sale		195.86	-	195.86
			<b>12,147.06</b>	<b>(87.47)</b>	<b>12,059.59</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
	<b>Shareholders' funds</b>				
	(a) Share capital		384.03	-	384.03
	(b) Other Equity		6,115.05	(172.22)	5,942.83
	<b>Liabilities</b>				
	<b>Non-current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings		541.99	-	541.99
	(b) Provisions		22.90	-	22.90
	(c) Deferred tax liabilities (Net)	5	196.27	84.75	281.02
	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings		3,147.51	-	3,147.51
	(ii) Trade payables		605.80	-	605.80
	(iii) Other Financial Liabilities		725.87	-	725.87
	(b) Other current liabilities		311.17	-	311.17
	(c) Provisions		23.52	-	23.52
	(d) Current Tax Liabilities		72.95	-	72.95
			<b>12,147.06</b>	<b>(87.47)</b>	<b>12,059.59</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### Effect of Ind AS Adoption on the Standalone Balance Sheet as at 31<sup>st</sup> March, 2017

		As at 31 <sup>st</sup> March, 2017			
	BALANCE SHEET	Note ref	Previous GAAP*	Effect of Transition to INDAS	As per INDAS
<b>I.</b>	<b>ASSETS</b>				
	<b>Non-current assets</b>				
	(a) Property Plant & Equipment	1	2,996.05	1,305.88	4,301.93
	(b) Capital Work-In-Progress		387.94	-	387.94
	(c) Intangible assets		8.44	-	8.44
	(d) Intangible Assets Under Development		58.84	-	58.84
	(e) Financial Assets				
	(i) Investments	1, 2	1,757.73	(827.19)	930.54
	(ii) Loans		33.78	-	33.78
	(iii) Other Financial Assets		1.27	-	1.27
	(f) Other Non Current Assets		21.44	-	21.44
	<b>Current assets</b>				
	(a) Inventories		2,606.51	-	2,606.51
	(b) Financial Assets				
	(i) Trade receivables	3	3,197.42	(555.83)	2,641.59
	(ii) Cash and cash equivalents		17.92	-	17.92
	(iii) Other Bank Balances		91.48	-	91.48
	(iv) Loans		0.80	-	0.80
	(v) Others Financial Assets		2.75	-	2.75
	(c) Other current assets		481.63	-	481.63
	Assets classified as held for Sale		195.86	-	195.86
			<b>11,859.86</b>	<b>(77.14)</b>	<b>11,782.72</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
	<b>Shareholders' funds</b>				
	(a) Share capital		384.03	-	384.03
	(b) Other Equity		6,964.79	(224.66)	6,740.13
	<b>Liabilities</b>				
	<b>Non-current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings		535.93	-	535.93
	(b) Provisions		26.66	-	26.66
	(c) Deferred tax liabilities (Net)	5	226.09	147.52	373.61
	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings		1,994.54	-	1,994.54
	(ii) Trade payables		816.76	-	816.76
	(iii) Other Financial Liabilities		582.51	-	582.51
	(b) Other current liabilities		241.87	-	241.87
	(c) Provisions		48.13	-	48.13
	(d) Current Tax Liabilities		38.55	-	38.55
			<b>11,859.86</b>	<b>(77.14)</b>	<b>11,782.72</b>

\* The previous GAAP figures have been classified to confirm to Ind AS presentation requirements for the purpose of this note.

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018



### Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended March 31, 2017

	Particulars	Note ref	Year ended March 31, 2017		
			(Latest period presented under previous GAAP)		
			Previous GAAP*	Effect of Transition to Ind AS	As per Ind AS
	<b><u>INCOME</u></b>				
I.	Revenue from Operations		12,556.99	-	12,556.99
II.	Other Income	2	206.54	0.53	207.07
III.	<b>Total Income</b>		<b>12,763.53</b>	<b>0.53</b>	<b>12,764.06</b>
IV.	<b><u>EXPENSES</u></b>				
	Cost of Material Consumed		6,487.90	-	6,487.90
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		(284.35)	-	(284.35)
	Excise Duty		678.46	-	678.46
	Employee Benefits Expense	6	1,252.41	(10.97)	1,241.44
	Finance Costs		254.25	-	254.25
	Depreciation / Amortisation and Depletion Expense	1	359.61	94.06	453.67
	Other Expenses	3	2,633.18	(98.52)	2,534.66
	<b>Total Expenses</b>		<b>11,381.46</b>	<b>(15.43)</b>	<b>11,366.04</b>
V.	Profit/(Loss) before Exceptional Items and Tax		1,382.07	15.96	1,398.03
VI.	Exceptional Items		3.24	-	3.24
VII.	<b>Profit/(Loss) before Tax</b>		<b>1,378.83</b>	<b>15.96</b>	<b>1,394.79</b>
VIII.	<b>Tax Expenses</b>				
	Current Tax		433.40	3.80	437.20
	Current Tax related to previous years		2.76	-	2.76
	Deferred Tax	5	31.67	60.92	92.59
	<b>Total Tax Expense</b>		<b>467.83</b>	<b>64.72</b>	<b>532.55</b>
IX.	<b>Profit/(Loss) for the Period after Tax</b>		<b>911.00</b>	<b>(48.76)</b>	<b>862.24</b>
X.	<b><u>Other Comprehensive Income:</u></b>				
	<b><u>Items that will not be recycled to profit or loss</u></b>				
	Re-measurement gains (losses) on defined benefit plans	6	-	(10.97)	(10.97)
	Income Tax Benefit	5	-	3.80	3.80
			-	<b>(7.17)</b>	<b>(7.17)</b>
XI.	<b>Total Comprehensive Income for the Period</b>		<b>911.00</b>	<b>(55.93)</b>	<b>855.07</b>

\* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS



## Independent Auditors' Report on Consolidated Ind AS financial statements

To the Members of  
Shivalik Bimetal Controls Limited

### 1. Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Shivalik Bimetal Controls Limited (hereinafter referred to as "the Company") and its jointly controlled companies & associate company (collectively referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated cash flow statement for the year then ended, the consolidated statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### 2. Management's Responsibility for the Consolidated Ind AS financial statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated changes in Equity of the Group including its associate and jointly controlled companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

The respective Board of Directors of the Companies included in the group, its associate and Jointly controlled companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated Ind AS financial statements by the Board of Directors of the Company, as aforesaid.

### 3. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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



## INDEPENDENT AUDITORS' REPORT



We believe that the audit evidence obtained by us and the Audit evidence obtained by the other Auditors in terms of their reports referred to in sub paragraph (a) of other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the group, its associate and jointly controlled companies as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### 5. Other Matters

- (a) We did not audit the financial statements and other information of one Associate and One Jointly controlled company whose financial statements/ information reflect total assets of 2085.89 lakhs as at March, 31, 2018, total revenues of Rs. 2381.86 lakhs and net cash flows amounting to Rs.11.01 lakhs for the year ended on that date, as considered in consolidated Ind AS financial statements. These financial statements/ information have been audited by the other Auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of such associate and Jointly control company, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate and jointly controlled company, is based solely on the reports of the other auditors.
- (b) Our Opinion on the consolidated Ind AS financial statements and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.
- (c) The consolidated Ind AS financial Statements of the company for the year ended March 31, 2017 prepared in accordance with Indian Accounting Standards (Ind AS), included in these consolidated Ind AS financial Statements, were audited by the predecessor Auditors'. The report of the predecessor auditor on the comparative financial information dated August 23, 2017 expressed an unmodified opinion.

### 6. Report on Other Legal and Regulatory Requirements

As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors of the Company as on March, 31, 2018 taken on record by the Board of Directors of the Company and its jointly controlled companies & associate company, which are companies incorporated in India, none of the Directors of the Group companies is disqualified as on 31 March 2018 from being appointed as a Director of that company in terms of sub-section 2 of Section 164(2) of the Act;



## INDEPENDENT AUDITORS' REPORT

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entity's – Refer note 33 to the consolidated Ind AS financial statements;
  - ii. The Group, its jointly controlled companies & associate did not have any material foreseeable losses on long term contracts including derivatives contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled companies & associate companies incorporated in India during the year ended March 31, 2018.

**For Arora Gupta & Co.**

Chartered Accountants

Firm Registration No:- 021313C

Sd/-

Amit Arora

Partner

M.No. 514828

Place: New Delhi

Dated: 23.08.2018



## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



### **Annexure - A to the Independent Auditors' Report on Consolidated Ind AS financial statements of Shivalik Bimetal Controls Limited**

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Shivalik Bimetal Controls Limited (hereinafter referred to as "the Company") and its jointly controlled companies & associate company, which are companies incorporated in India, as of that date. Reporting under clause (1) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to two jointly controlled companies and one associate namely, Checon Shivalik Contact Solutions Private Limited (Jointly controlled company), Innovative Clad solutions Private Limited (Jointly controlled Company) and Shivalik Bimetal Engineers private limited (Associate), respectively.

### **Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Company and its jointly controlled companies & associate company, which are companies incorporated in India, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of adequacy of Internal financial controls over financial reporting is applicable, are 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 Act.

### **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") issued by ICAI 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 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 and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its jointly controlled companies & associate company, which are companies incorporated in India, have 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to Jointly Controlled company and associate, which are companies incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

**For Arora Gupta & Co.**

Chartered Accountants

Firm Registration No:- 021313C

Sd/-

Amit Arora

Partner

M.No. 514828

Place: New Delhi

Dated: 23.08.2018



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## CONSOLIDATED BALANCE SHEET as at 31<sup>st</sup> March 2018



(₹ in lacs)

	Notes	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>I. ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant & Equipment	3	4,512.41	4,301.93	4,469.64
(b) Capital Work-In-Progress	3	408.11	387.94	381.12
(c) Intangible assets	3.8	7.48	8.44	11.88
(d) Intangible Assets Under Development	3.8	63.74	58.84	42.83
(e) Financial Assets				
(i) Investments	5	775.32	698.52	724.72
(ii) Loans	6	34.32	33.78	32.68
(iii) Other Financial Assets	7	0.55	1.27	10.88
(f) Current Tax Assets	8	15.42	-	-
(g) Other Non Current Assets	9	50.98	21.44	17.31
<b>Total Non Current Assets</b>		<b>5,868.33</b>	<b>5,512.16</b>	<b>5,691.06</b>
<b>Current assets</b>				
(a) Inventories	10	4,060.09	2,606.51	2,348.82
(b) Financial Assets				
(i) Trade receivables	11	3,359.03	2,641.59	2,425.37
(ii) Cash and cash equivalents	12	22.58	17.92	811.59
(iii) Other Bank Balances	13	12.51	91.48	78.85
(iv) Loans	14	1.75	0.80	0.20
(v) Others Financial Assets	15	143.91	2.75	0.80
(c) Other current assets	16	1,029.89	481.63	301.74
<b>Total Current Assets</b>		<b>8,629.76</b>	<b>5,842.68</b>	<b>5,967.37</b>
<b>Asset Classified as held for sale</b>	4	<b>191.86</b>	<b>195.86</b>	<b>195.86</b>
<b>TOTAL ASSETS</b>		<b>14,689.95</b>	<b>11,550.70</b>	<b>11,854.29</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	17	768.06	384.03	384.03
(b) Other Equity	18	7,531.15	6,457.93	5,702.44
<b>Total Equity</b>		<b>8,299.21</b>	<b>6,841.96</b>	<b>6,086.47</b>
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	19	744.16	535.93	541.99
(b) Provisions	20	29.41	26.66	22.90
(c) Deferred tax liabilities (Net)	21	530.97	423.79	316.11
<b>Total Non-Current Liabilities</b>		<b>1,304.54</b>	<b>986.38</b>	<b>881.00</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	22	2,302.38	1,994.54	3,147.51
(ii) Trade payables	23	1,740.36	816.76	605.80
(iii) Other Financial Liabilities	24	792.65	582.51	725.87
(b) Other current liabilities	25	172.28	241.87	311.17
(c) Provisions	26	10.68	48.13	23.52
(d) Current Tax Liabilities	27	67.85	38.55	72.95
<b>Total Current Liabilities</b>		<b>5,086.20</b>	<b>3,722.36</b>	<b>4,886.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,689.95</b>	<b>11,550.70</b>	<b>11,854.29</b>
<b>III. The accompanying notes form an integral part of the consolidated financial statements.</b>	1 to 44			

As per our report of even date

**For Arora Gupta & Co.**

Chartered Accountants

FRN No.021313C

For and on Behalf of the Board

**Sd/-**  
**AMIT ARORA**  
Partner  
M.No.514828

**Sd/-**  
**RAJEEV RANJAN**  
Chief Financial Officer

**Sd/-**  
**AARTI JASSAL**  
Company Secretary  
M.No. A25690

**Sd/-**  
**N.S. GHUMMAN**  
Managing Director  
DIN 00002052

**Sd/-**  
**S.S. SANDHU**  
Chairman  
DIN 00002312

Place : New Delhi  
Date : 23.08.2018



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT for the year ended on 31<sup>st</sup> March, 2018



		( ₹ in lacs, except per share data)		
	Notes	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017	
I	Revenue from operations	28	16,167.97	12,556.99
II	Other income	29	230.15	207.07
III	<b>Total Revenue (I + II)</b>		<b>16,398.12</b>	<b>12,764.06</b>
IV	Expenses			
(a)	Cost of materials consumed	30	8,953.47	6,487.90
(b)	Changes in Inventories of Finished Goods and work-in-progress	31	(790.31)	(284.35)
(c)	Excise Duty		197.72	678.46
(d)	Employee benefits expense	32	1,447.90	1,241.44
(e)	Finance costs	33	331.13	254.25
(f)	Depreciation & Amortisation	3	461.58	453.67
(g)	Other expenses	34	3,611.88	2,534.66
	<b>Total expenses</b>		<b>14,213.37</b>	<b>11,366.03</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>		<b>2,184.75</b>	<b>1,398.03</b>
VI	Share of Profit/ (Loss) of an Associate/ a Joint Venture		75.60	(25.25)
VII	Exceptional items (Income)/Expenses	35	(1.24)	3.24
VIII	<b>Profit/(loss) before tax (V - VI)</b>		<b>2,261.59</b>	<b>1,369.54</b>
IX	<b>Tax expense</b>			
(a)	Current tax	36	564.57	437.60
(b)	Current tax related to previous years	36	(62.77)	2.76
(c)	Deferred tax	36	107.18	107.68
	<b>Total</b>		<b>608.98</b>	<b>548.04</b>
X	<b>Profit/(Loss) for the years (VII-VIII)</b>		<b>1,652.61</b>	<b>821.50</b>
XI	Other Comprehensive Income			
i.	Items that will not be reclassified to Statement of Profit and Loss			
	- Remeasurement of defined benefit obligation		1.51	(12.44)
	- Income tax on above		(0.43)	4.20
XII	<b>Total Comprehensive Income for the Period (IX+X)</b>		<b>1,653.69</b>	<b>813.26</b>
XIII	Earnings per equity share			
(a)	Basic	37	4.31	2.12
(b)	Diluted	37	4.31	2.12
XIV	The accompanying notes form an integral part of the consolidated financial statements.	1 to 44		

As per our report of even date

**For Arora Gupta & Co.**

Chartered Accountants

FRN No.021313C

For and on Behalf of the Board

**Sd/-**  
**AMIT ARORA**  
Partner  
M.No.514828

**Sd/-**  
**RAJEEV RANJAN**  
Chief Financial Officer

**Sd/-**  
**AARTI JASSAL**  
Company Secretary  
M.No. A25690

**Sd/-**  
**N.S. GHUMMAN**  
Managing Director  
DIN 00002052

**Sd/-**  
**S.S. SANDHU**  
Chairman  
DIN 00002312

Place : New Delhi  
Date : 23.08.2018



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## CONSOLIDATED CASH FLOW STATEMENT for the year ended on 31<sup>st</sup> March, 2018



( ₹ in lacs)

	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	2,261.59	1,369.54
Adjustments for:		
Depreciation and amortisation expense	461.58	453.67
Share of Profit/ (Loss) of an Associate/ a Joint Venture	(75.60)	25.25
Interest Expense	331.13	254.24
Interest Income	(3.34)	(5.75)
Net (Gain)/loss arising on financial instruments designated as FVTPL	(0.22)	(0.53)
Amount Written Back	(1.24)	(3.95)
Loss Allowance for doubtful receivables	15.40	3.68
(Profit)/Loss on sale of Property, Plant and Equipment	0.01	7.19
Dividend received	(0.24)	(0.20)
<b>Operating Profit before Working Capital changes</b>	<b>2,989.07</b>	<b>2,103.14</b>
Adjustment for :		
Trade and other receivables	(732.83)	(219.91)
Inventories	(1,453.58)	(257.69)
Trade Payables	924.84	214.91
Other Assets	(632.14)	(186.80)
Other Liabilities	(72.13)	(27.03)
Provisions	(34.17)	17.41
<b>Cash generated from operations</b>	<b>989.06</b>	<b>1,644.03</b>
Income Tax	(472.94)	(470.56)
<b>Net Cash flow from operating Activities (A)</b>	<b>516.12</b>	<b>1,173.47</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for Property Plant and Equipment & Intangible assets including capital advances & CWIP	(759.62)	(330.45)
Proceeds from Sale of Property Plant and Equipment	43.40	14.05
Interest Income	3.34	5.75
Dividend Received	0.24	0.20
<b>Net cash (used in)/ from investing activities (B)</b>	<b>(712.64)</b>	<b>(310.45)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Non Current Borrowings*	757.28	317.00
Repayment of Non Current Borrowings	(339.30)	(507.49)
Proceeds from Current Borrowings (net)	307.84	(1,152.96)
Interest Expense	(328.81)	(255.61)
Dividend (Including Dividend Tax Paid)	(193.08)	(55.67)
Unclaimed Dividend transferred to Investor Protection Fund	(2.75)	(1.97)
<b>Net Cash (used in) from financing activities (C )</b>	<b>201.18</b>	<b>(1,656.70)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4.66</b>	<b>(793.67)</b>
Cash and Cash Equivalents (Opening Balance)	17.92	811.59
Cash and Cash equivalents (Closing Balance)	22.58	17.92

\* There is no cash movements in borrowings.

Note: The cash flow statement is prepared using "indirect method" set out in Ind AS 07. "Statement of cash flows"

As per our report of even date

For and on Behalf of the Board

**For Arora Gupta & Co.**

Chartered Accountants

FRN No.021313C

**Sd/-**  
**AMIT ARORA**  
**Partner**  
M.No.514828

**Sd/-**  
**RAJEEV RANJAN**  
**Chief Financial Officer**

**Sd/-**  
**AARTI JASSAL**  
**Company Secretary**  
M.No. A25690

**Sd/-**  
**N.S. GHUMMAN**  
**Managing Director**  
DIN 00002052

**Sd/-**  
**S.S. SANDHU**  
**Chairman**  
DIN 00002312

Place : New Delhi  
Date : 23.08.2018



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31<sup>st</sup> March, 2018



### Consolidated Statement of Changes in Equity

#### A. Equity Share Capital

( ₹ in lacs)

As at 1 <sup>st</sup> April 2016	Movement During the Year	As at 31 <sup>st</sup> March 2017	Movement During the Year	As at 31 <sup>st</sup> March 2018
384.03	-	384.03	384.03	768.06

#### B. Other Equity

( ₹ in lacs)

Particulars	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance as at 1<sup>st</sup> April, 2016</b>	<b>0.57</b>	<b>2,437.07</b>	<b>3,264.80</b>	<b>5,702.44</b>
Profit for the year	-	-	821.50	821.50
Other Comprehensive income for the year	-	-	(8.24)	(8.24)
<b>Transactions with owners</b>				
Payment of Dividend	-	-	(48.00)	(48.00)
Tax on Dividend	-	-	(9.77)	(9.77)
Transfer to General Reserves	-	200.00	(200.00)	-
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>0.57</b>	<b>2,637.07</b>	<b>3,820.29</b>	<b>6,457.93</b>
Profit for the year	-	-	1,652.61	1,652.61
Other Comprehensive income for the year	-	-	1.08	1.08
<b>Transactions with owners</b>				
Payment of Dividend	-	-	(163.21)	(163.21)
Tax on Dividend	-	-	(33.23)	(33.23)
Issue of Bonus Shares	-	-	(384.03)	(384.03)
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>0.57</b>	<b>2,637.07</b>	<b>4,893.51</b>	<b>7,531.15</b>

As per our report of even date

**For Arora Gupta & Co.**

Chartered Accountants

FRN No.021313C

For and on Behalf of the Board

**Sd/-**  
**AMIT ARORA**  
Partner  
M.No.514828

**Sd/-**  
**RAJEEV RANJAN**  
Chief Financial Officer

**Sd/-**  
**AARTI JASSAL**  
Company Secretary  
M.No. A25690

**Sd/-**  
**N.S. GHUMMAN**  
Managing Director  
DIN 00002052

**Sd/-**  
**S.S. SANDHU**  
Chairman  
DIN 00002312

Place : New Delhi

Date : 23.08.2018



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018)



### 1. COMPANY'S OVERVIEW

Shivalik Bimetal Controls Limited ("the Company" or the "Parent Company") is a widely-held public limited Company which was incorporated in the year 1984 and has been in commercial production since October 1986. "Company's" manufacturing Units(s) are located at Chambaghat, Solan, in the state of Himachal Pradesh, India. The Company's shares are listed on Bombay Stock Exchange. The consolidated financial statements of the Company as at and for the year ended on 31<sup>st</sup> March 2018 comprise the Company and its Joint Venture/associates as defined in Explanation to sub-section (3) of Section 129 of Companies Act 2013 (together referred to as "the Group").

"Company" is engaged in the business of manufacturing & sales of Thermostatic Bimetal / Trimetal strips, components, EB welded products, Cold Bonded Bimetal Strips and Parts etc., The application of "Company's" Products are mainly in Switchgears, Circuit Breakers and various other Electrical and Electronic devices. The Company's products are exported to over 40 Countries around the world.

The financial statements as at 31<sup>st</sup> March, 2018 present the financial position of the Group.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet as at April 1, 2016 for the purpose of transition to Ind AS.

#### 2.1 Statement of Compliance with Ind ASs

The Consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting standards ('Ind AS'), notified under Section 133 read with rule 3 of Companies (Indian Accounting Standards) Rules 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions of the Companies Act, 2013 (Collectively, "Ind ASs").

Upto and including the year ended March 31, 2018, the Company has prepared its Consolidated financial statements in accordance with the requirement of Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards as notified under Section 133 of Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014, as amended considered as "Previous GAAP".

These Consolidated financial statements for the year ended 31<sup>st</sup> March 2018 are the Company's first Ind AS Consolidated financial statements.

#### 2.2 Basis of Preparation of Consolidated Financial Statements

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2016 being the transition date. The Consolidated financial statements for the year ended 31<sup>st</sup> March, 2017 and the opening Balance Sheet as at 1<sup>st</sup> April, 2016 have been restated in accordance with Ind ASs for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Consolidated Balance Sheet, Total Equity as at 31<sup>st</sup> March 2017 and 1<sup>st</sup> April 2016 and Statement of Profit and Loss, Total Comprehensive Income and Cash Flows for the period ending on 31<sup>st</sup> March 2017 are provided in Note 43.

#### 2.3 Principles of Consolidation

The Financial Statements of the Group are consolidated as per the prescribed guidelines in Ind AS; Investment in Associates and Joint Ventures has been accounted under the Equity Method as per Ind AS 28- Investment in Associates and Joint Ventures.

The Group accounts for its share of Post-Acquisition changes in net assets of associates and joint ventures, after



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018)



eliminating unrealized profits and losses resulting from transactions between the group and its Associates and Joint Ventures.

### 2.4 Use of Estimates

The preparation of Consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Accounting estimates could change from period to period. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include primarily useful lives of property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

### 2.5 Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue from Sales are recognized, net of returns and trade discount that coincides with the reliability and reasonableness to expect ultimate collection, which is generally on dispatch of goods. In the case of export of goods, out of India, Revenue from sales is recognised on transfer of significant risk and rewards and ownership to buyer.

For other incomes, the Company follows the accrual basis of accounting except interest on delayed payment from customers and in respect of insurance claims filed where there is no reasonable certainty regarding the amount and/or its Collectability.

Income from Interest is recognised using Effective Interest rate method. Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

### 2.6 Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

The transactions in the currencies other than the entity's functional currency (foreign currency's) are accounted for at the exchange rate prevailing on the transaction's date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date and the resultant difference is charged/ credited in Statement of Profit & Loss account.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated on reporting date.





## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018)



### 2.7 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

All Other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred

Borrowing costs include interest and exchange difference arising from currency borrowing to the extent they are regarded as an adjustment to the interest cost.

### 2.8 Government Grant and Assistance

Government grants are assistance by government in the form of transfer of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity and the same are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

### 2.9 Employees' Benefits

#### Defined Contribution Plans:

The Company has contributed to State Governed Provident Fund scheme, Employees State Insurance scheme and Employee Pension Scheme which are defined contribution plans. Contribution paid or payable under the scheme is recognized as expense during the period in which employees have rendered the service entitling them to the contributions.

#### Defined Benefit Plans:

The employees' gratuity is a defined benefit plan. The present value of the obligation under such plan is determined based on the Actuarial Valuation using the projected unit credit method which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The Company has an employee gratuity fund managed by Life Insurance Corporation of India (LIC). The gains or losses are charged to Profit and Loss Account.

Liability in respect of leave encashment is provided based on Actuarial Valuation using the projected unit credit method.

Compensation to employees, who opted for retirement under the Voluntary Retirement Scheme of the company, is charged to the statement of Profit & Loss in the year of exercise of option by the employee.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

### 2.10 Taxes on Income

#### Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits/ benefits computed in accordance with the provisions of the Income Tax Act, 1961.

#### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018)



against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

### 2.11 Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts, if any and rebates, import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing cost attributable to the Qualifying Asset.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses., if any.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on estimate of their specific useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

Capital work-in-progress represents the cost of Property, Plant and Equipment that are not yet ready for their intended use at the reporting date.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018)



Cost of in-house assembled/fabricated fixed assets comprise those costs that relate directly to the specific assets and other costs that are attributable to the assembly/fabrication thereof.

Depreciation on Fixed Assets is provided based on useful lives of assets as prescribed in Schedule-II to Companies Act 2013 except in respect of followings assets where estimated useful life is different than these mentioned in Schedule II are as follows:-

i) Plant & Machinery *	15-30 years
ii) Dies & Tools	2 years
iii) Assets costing below Rs. 5,000/-	1 year
iv) Intangibles	6 years

\* For certain Plant & Machineries where the useful life of assets is different from those prescribed under Part C of Schedule II of Companies Act 2013, an internal assessment & Independent technical evaluation is being carried out by external Chartered Engineer. Based on the technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc., the management believes that the useful lives as given above, best represent the period over which Company expects to use these assets.

### 2.12 Intangible Assets

Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation or amortization and impairment, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

### 2.13 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

Cost of Inventories are determined as follows;

- Raw materials, stores and spares: At cost, on "FIFO" basis;
- Work-in-progress: At cost plus related cost of conversion including appropriate overheads;
- Finished goods: At cost plus related cost of conversion including appropriate overheads
- Saleable Scrap is valued at estimated realizable value

### 2.14 Impairment of non financial assets

The Carrying amounts of assets are reviewed at each Balance Sheet date and if there is any indication to the effect that the recoverable amount of the Asset/ CGU (Cash Generating Unit) is less than its carrying amount, the difference is treated as "Impairment Loss". The recoverable amount is greater of the asset's net selling price and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

### 2.15 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments essentially are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018)



### 2.16 Cash Flow Statements

Cash flows are reported using the indirect method, whereby Profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

### 2.17 Financial Instruments

#### Financial Assets

##### A. Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### B. Subsequent Measurement

###### a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### b) Financial assets at fair value through other comprehensive income (FVTOCI).

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. This includes equity investment in other than Joint Ventures and Associates.

##### C. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk lifetime ECL is used.



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018)



### Financial Liabilities

#### A. Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

#### B. Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### Derivative Financial Instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, in the form of foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

### Derecognition of Financial Instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires

#### 2.18 Investment in Associates and Joint Ventures

The Company has accounted for its investments in associates and joint ventures at cost.

#### 2.19 Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has not been established, in which case such expenditure is capitalized.

#### 2.20 Earnings Per share

Basic Earnings per Share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.

#### 2.21 Provision and Contingent Liabilities

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if

- the company has a present obligation as a result of past event,
- a probable outflow of resources is expected to settle the obligation; and
- the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible; and
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018)



### 2.22 Critical Accounting Judgements and Key Source of Estimation of Uncertainty

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### A. Key Source of estimation uncertainty

##### (i) Useful lives of property, plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

##### (ii) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

##### (iii) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

##### (iv) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

##### (v) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

##### (vi) Fair Value Measurement

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements





## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018)



cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

### **B. Critical Accounting Judgements**

#### **(i) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment

#### **(ii) Taxes**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **2.23 Recent accounting pronouncements**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment has come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The amendment has come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 3. Property, Plant and Equipments

Particulars	Leasehold land*	Freehold Land	Buildings	Plant and Equipment*	Furniture and Fixtures	Vehicles	Office Equipments	Total	Capital Work in Progress
<b>Cost/Deemed Cost</b>									
<b>As at 1st April 2016</b>	400.00	-	380.62	4,099.50	189.96	550.64	197.12	5,817.84	<b>381.12</b>
Additions	-	-	-	245.71	2.46	33.88	23.62	305.67	<b>6.82</b>
Disposals	-	-	-	9.04	0.06	32.60	1.59	43.29	-
Other adjustments (refer note no.3.2 below)	-	-	-	(2.39)	-	-	-	(2.39)	-
<b>As at 31st March 2017</b>	400.00	-	380.62	4,333.78	192.36	551.92	219.15	6,077.83	<b>387.94</b>
Additions	-	330.06	7.44	203.86	3.72	145.92	19.74	710.74	<b>53.31</b>
Disposals	-	-	-	2.61	-	130.76	2.03	135.40	-
Capitalised during the year	-	-	-	-	-	-	-	-	<b>33.14</b>
Other adjustments (refer note no.3.2 below)	-	-	-	2.27	-	-	-	2.27	-
<b>As at 31st March 2018</b>	400.00	330.06	388.06	4,537.30	196.08	567.08	236.86	6,655.44	<b>408.11</b>
<b>Accumulated depreciation</b>									
<b>As at 1st April 2016</b>	-	-	190.13	616.64	134.67	238.50	168.26	1,348.20	-
Depreciation charged for the year	6.25	-	23.59	315.45	16.08	71.62	16.76	449.75	-
On disposals	-	-	-	6.88	0.06	13.73	1.38	22.05	-
<b>As at 31st March 2017</b>	6.25	-	213.72	925.21	150.69	296.39	183.64	1,775.90	-
Depreciation charged for the year	6.25	-	20.60	329.10	11.24	74.39	17.53	459.11	-
On disposals	-	-	-	2.61	-	87.34	2.03	91.98	-
<b>As at 31st March 2018</b>	12.50	-	234.32	1,251.70	161.93	283.44	199.14	2,143.03	-
<b>Net block</b>									
<b>As at 31st March 2018</b>	387.50	330.06	153.74	3,285.60	34.15	283.64	37.72	4,512.41	<b>408.11</b>
<b>As at 31st March 2017</b>	393.75	-	166.90	3,408.57	41.67	255.53	35.51	4,301.93	<b>387.94</b>
<b>As at 1st April 2016</b>	400.00	-	190.49	3,482.86	55.29	312.14	28.86	4,469.64	<b>381.12</b>

\* Represents deemed cost as fair value on the date of transition in accordance with Ind AS 101(refer note 43 )

#### 3.1 Leasehold Land:

Leasehold Period: 95 years w.e.f. year 1984.

Leasehold Installment: Nil

**3.2** Other adjustment comprise exchange difference arising on translation/ settlement of long term foreign currency monetary items pertaining to acquisition of depreciable assets of ₹2.27 lacs (PY: ₹(2.39) Lacs) capitalised.



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



**3.3** Borrowing Cost Capitalised during the year aggregated to ₹4.69 lacs (Previous Year: ₹ 7.51 Lacs). (refer note no.33)

### 3.4 Contractual obligations

Refer note 38B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**3.5** As per the section 118(2)(h) of H.P. Tenancy & Land Reforms Act, 1972, freeholdland acquired during the year is required to put the land to use for industrial purpose within a period of 2 years extendable by 1 year, if required.

**3.6** Leasehold land, Buildings and Property, plant and equipment is pledged against borrowings.

**3.7** Capital Work in Progress includes the following expenses, capitalised.

Particulars	As at 1 <sup>st</sup> April 2016	Additions during the year	Capitalised during the year	As at 31 <sup>st</sup> March 2017	Additions during the year	Capitalised during the year	As at 31 <sup>st</sup> March 2018
Finance Costs	36.80	7.51	-	44.31	4.69	-	49.01
Other Expenses	129.62	0.35	0.92	129.05	0.70	1.41	128.33
Total	166.42	7.86	0.92	173.36	5.39	1.41	177.34

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 3.8 Intangible Assets\*

(₹ in Lacs)

Particulars	Computer Software	Intangible Assets Under Development
<b>Cost/Deemed Cost</b>		
<b>As at 1<sup>st</sup> April 2016</b>	36.97	42.83
Additions	0.48	16.01
Disposals	-	-
<b>As at 31<sup>st</sup> March 2017</b>	37.45	58.84
Additions	1.51	4.90
Disposals	-	-
<b>As at 31<sup>st</sup> March 2018</b>	38.96	63.74
<b><u>Accumulated depreciation</u></b>		
<b>As at 1<sup>st</sup> April 2016</b>	25.09	-
Depreciation charged for the year	3.92	-
On disposals	-	-
<b>As at 31<sup>st</sup> March 2017</b>	29.01	-
Depreciation charged for the year	2.47	-
On disposals	-	-
<b>As at 31<sup>st</sup> March 2018</b>	31.48	-
<b><u>Carrying Value</u></b>		
<b>As at 31<sup>st</sup> March 2018</b>	7.48	63.74
<b>As at 31<sup>st</sup> March 2017</b>	8.44	58.84
<b>As at 1<sup>st</sup> April 2016</b>	11.88	42.83

\*Other than internally generated

### 4. Asset classified as held for sale

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Freehold Land at Kandaghat Solan (refer note no.4.1.below)	191.86	195.86	195.86

4.1 Permission u/s 118 of HP Tenancy and land reforms Act, 1972 is awaited.

### 5. Investments

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Investment(s) measured at Cost</b>			
<b>In Equity Instruments of</b>			
<b>(a) Associate Company</b>			
i) Unquoted Equity Instrument of "Shivalik Bimetal Engineers Private Limited" of face value Rs. 10/- each fully paid up	22.28	22.28	22.28
(No. Of Shares)	(222,750)	(222,750)	(222,750)
Add/ (Less): Interest In Joint Venture	38.13	27.03	19.13
	<b>60.41</b>	<b>49.31</b>	<b>41.41</b>



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>(b) Joint Venture Companies</b>			
i) Unquoted Equity Instrument of "Checon Shivalik Contact Solutions Private Limited" of face value Rs. 10/- each fully paid up	221.45	221.45	221.45
(No . Of Shares)	(1,710,900)	(1,710,900)	(1,710,900)
Add/ (Less): Interest In Joint Venture	195.22	135.37	94.45
	<b>416.67</b>	<b>356.82</b>	<b>315.90</b>
ii) Unquoted Equity Instrument of "Innovative Clad Solutions Private Limited" of face value Rs. 10/- each fully paid up.	683.42	683.42	683.42
(No . Of Shares)	(15,120,000)	(15,120,000)	(15,120,000)
Add/ (Less): Interest In Joint Venture	(388.79)	(394.42)	(318.88)
	<b>294.63</b>	<b>289.00</b>	<b>364.54</b>

### Investments measured at Fair Value Through Profit & Loss

#### (a) In Equity Shares of Other Company

ii) Unquoted Equity Instrument of "Shivalik Solid Waste Management Limited" of face value Rs. 10/- each fully paid up.	3.61	3.39	2.87
(No . Of Shares)	(20,000)	(20,000)	(20,000)
	<b>775.32</b>	<b>698.52</b>	<b>724.72</b>

Investments in Associate and Joint-venture companies are stated at cost, using the exemption provided as per Ind AS 27 'Separate Financial Statements'

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Aggregate amount of unquoted investments	775.32	698.52	724.72
Aggregate amount of quoted investments	-	-	-
Aggregate amount of impairment in the valuation of Investment	-	-	-
	<b>775.32</b>	<b>698.52</b>	<b>724.72</b>

#### 6. Loans- Non Current

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Unsecured, Considered Good			
Security Deposits			
Government Undertakings /Authorities	14.95	14.95	14.04
Related Parties	13.50	13.50	13.50
Others	5.87	5.33	5.14
	<b>34.32</b>	<b>33.78</b>	<b>32.68</b>



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 7. Other Financial Assets

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Margin Money Deposit *	0.55	1.27	10.88
	<b>0.55</b>	<b>1.27</b>	<b>10.88</b>

\*Represents Term deposit receipts pledged against Bank Guarantees issued and having maturity of more than 12 months

### 8. Current Tax Assets

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Income Tax Refundable	15.42	-	-
	<b>15.42</b>	<b>-</b>	<b>-</b>

### 9. Other Non Current Assets

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Capital Advances	43.53	19.49	15.60
Prepaid Expenses	7.45	1.95	1.71
	<b>50.98</b>	<b>21.44</b>	<b>17.31</b>

### 10. Inventories

(Carried at lower of Cost or Net realisable value)

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Raw Materials	2,125.38	1,483.63	1,519.47
Work-in-Progress	1,168.87	664.39	563.57
Finished goods	602.32	326.04	144.93
Stores, Spares and Packing Material	150.66	129.14	119.95
Scrap	12.86	3.31	0.90
	<b>4,060.09</b>	<b>2,606.51</b>	<b>2,348.82</b>
Material in Transit (included in Inventories, above )			
i) Raw Material	146.27	143.71	200.52
ii) Stores, Spares and Packing Material	5.65	2.70	1.86
	<b>151.92</b>	<b>146.41</b>	<b>202.38</b>



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 11. Trade Receivables

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Secured, Considered Good	40.48	18.03	9.22
Unsecured, Considered Good			
Related Party	1.92	1.45	6.07
Others	3,316.63	2,622.11	2,410.08
Unsecured, Considered Doubtful	17.03	555.83	753.75
Less: Allowances for Credit Losses*	(17.03)	(555.83)	(753.75)
	<b>3,359.03</b>	<b>2,641.59</b>	<b>2,425.37</b>

\*In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

#### (i) Movements in allowance of credit losses of receivables;

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Balance at the beginning of the Year	555.83	753.75
Charge in Statement of Profit and Loss	15.40	3.68
Release to Statement in Profit and Loss	-	-
Utilised during the Year*	554.20	201.60
<b>Balance at the end of the Year</b>	<b>17.03</b>	<b>555.83</b>

\*During the year, the Company has written off Irrecoverable trade receivables aggregating to ₹ 554.20 Lacs (Previous Year ₹201.60 Lacs).

### 12. Cash and Cash Equivalents

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Balances with banks in			
- Current Accounts	20.10	14.10	10.14
- Fixed Deposit	-	-	800.00
Cash on hand	2.48	3.82	1.45
	<b>22.58</b>	<b>17.92</b>	<b>811.59</b>

There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting period and prior periods.

### 13. Other Bank Balances

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Unpaid Dividend held in Bank Accounts	7.14	6.53	6.39
Margin Money Deposit against Bank Guarantee (s)*	5.37	84.95	72.46
	<b>12.51</b>	<b>91.48</b>	<b>78.85</b>

\*Deposits with maturity more than three months but less than 12 months, held by the Company are not available for use, as these are pledged with Banks against guarantee(s) given to Government authorities.

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 14. Loans-Current

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Unsecured, considered good			
Security Deposits	1.75	0.80	0.20
	<b>1.75</b>	<b>0.80</b>	<b>0.20</b>

### 15. Others Financial Assets

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Advances to Employees	0.64	1.10	0.37
Export Incentive Receivable	143.27	1.65	0.43
	<b>143.91</b>	<b>2.75</b>	<b>0.80</b>

### 16. Other Current Assets

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Prepaid Expenses	128.15	45.89	23.38
Balances with Revenue authorities	860.04	383.35	210.83
Investment in Gold Coin	30.57	30.57	30.57
Advances to suppliers	11.04	21.73	36.84
Others	0.09	0.09	0.12
	<b>1,029.89</b>	<b>481.63</b>	<b>301.74</b>

### 17. Equity Share Capital

( ₹ in lacs, except per share data)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Authorised Share Capital:</b>			
Equity Shares of ₹ 2/- each (No . Of Shares)	1,500.00 (75,000,000)	1,500.00 (75,000,000)	1,500.00 (75,000,000)
<b>Issued Subscribed and Paid Up:</b>			
Equity Shares of ₹ 2/- each fully paid up (No . Of Shares)	768.06 (38,402,800)	384.03 (19,201,400)	384.03 (19,201,400)
<b>Total</b>	<b>768.06</b>	<b>384.03</b>	<b>384.03</b>

#### 17.1 Reconciliation of Number of Shares

Particulars	Number of Shares	Amount (₹ in lacs)
<b>Balance as at 1<sup>st</sup> April, 2016</b>	19,201,400	384.03
Shares Issued during the year	-	-
Shares Bought back during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2017</b>	19,201,400	384.03
Shares Issued during the year	-	-
Shares Issued as Bonus Shares	19,201,400	384.03
Shares Bought back during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>38,402,800</b>	<b>768.06</b>





## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



- 17.2** The Company has only one class of shares referred to as Equity shares having par value of ₹ 2/-. The holder of Equity Share is entitled to one vote per share.
- 17.3** In the event of liquidation of the Company, the residual interest in the company's net assets shall be distributed to the shareholders in the proportion to the equity shares held.
- 17.4** a) During the year, the company has paid an interim dividend of ₹0.30 per share for FY 17-18 and final dividend of ₹0.25 per share for FY 16-17 which resulted in a cash outflow of ₹ 196.44 lacs inclusive of corporate dividend tax.  
b) The Board of Directors, in its meeting held on 28<sup>th</sup> May, 2018 have proposed a final dividend of ₹ 0.30 per equity share for the financial year ended 31<sup>st</sup> March 2018. The proposal is subject to the approval of shareholders at the forthcoming Annual General Meeting and if approved would result in cash outflow of approximately ₹138.90 lacs including corporate dividend tax.
- 17.5** The Company has issued and allotted 1,92,01,400 equity shares to the eligible holders of equity shares, on the record date i.e. 6<sup>th</sup> October 2017 as bonus equity shares by capitalising reserves, on 9<sup>th</sup> October 2017. The earnings per shares figures for the year ended 31<sup>st</sup> March 2018 and Year ended 31<sup>st</sup> March 2017 have been reinstated to give effects to the allotment of bonus shares, as required by Ind AS 33.(refer note 37)
- 17.6** The Company does not have a holding company
- 17.7** Shareholders holding more than 5% shares

Name of Shareholders	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. N. S. Ghuman	29,94,000	7.80	14,65,000	7.63
O D Finance and Investment Pvt. Ltd.	50,46,978	13.14	24,88,989	12.96
TSL Holdings Limited	55,80,400	14.53	27,90,200	14.53
Angad Estates Pvt. Ltd.	33,10,000	8.62	16,55,000	8.62

### 18. Other Equity

(₹ in lacs)

Particulars	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance as at 1<sup>st</sup> April, 2016</b>	0.57	2,437.07	3,264.80	5,702.44
Profit for the year	-	-	821.50	821.50
Other Comprehensive income for the year (net of tax)	-	-	(8.24)	(8.24)
<b>Transactions with owners</b>				
Dividend paid	-	-	(48.00)	(48.00)
Tax on Dividend	-	-	(9.77)	(9.77)
Transfer to General Reserves	-	200.00	(200.00)	-
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>0.57</b>	<b>2,637.07</b>	<b>3,820.28</b>	<b>6,457.93</b>
Profit for the year	-	-	1,652.61	1,652.61
Other Comprehensive income for the year (net of tax)	-	-	1.08	1.08
<b>Transactions with owners</b>				
Dividend paid	-	-	(163.21)	(163.21)
Tax on Dividend	-	-	(33.23)	(33.23)
Issue of Bonus Shares	-	-	(384.03)	(384.03)
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>0.57</b>	<b>2,637.07</b>	<b>4,893.51</b>	<b>7,531.15</b>



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



- i) **Capital reserve** : Reserve is primarily created due to Interest received in Calls in arrears.
- ii) **General reserve** : Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the General reserves.

### 19. Borrowings

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Secured</b>			
From Banks(*)			
Foreign Currency Loan	-	44.00	60.96
Rupee Loan	134.14	153.50	117.88
Vehicle Loan	0.71	11.19	34.50
<b>Unsecured</b>			
From Related Parties	609.31	327.24	328.65
<b>Total<sup>(1)</sup></b>	<b>744.16</b>	<b>535.93</b>	<b>541.99</b>

(\*) Comprise of Term loan which is secured by first charge on Plant & Equipment, both present and future and equitable mortgage of Company's Factory Leasehold Land and Building, situated at Chambaghat, Solan, (H.P.) and Vehicle loan which is secured by hypothecation of vehicles.

<sup>(1)</sup> Refer note no.24:- Current Maturities of long term borrowings

Rupees loan from banks is repayable in equal instalments ending on 31<sup>st</sup> March, 2021 and Unsecured Loan from related party ends on 08th December, 2022.

### 20. Provisions

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Compensated absence	29.41	26.66	22.90
	<b>29.41</b>	<b>26.66</b>	<b>22.90</b>

### 21. Deferred Tax Liabilities (Net)

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Deferred Tax Liabilities/ (Assets) in relation to</b>			
Property, Plant and Equipment & Intangible assets	482.78	581.06	548.58
Employee Benefits	(9.50)	(12.68)	(15.89)
Debtors	(4.96)	(192.36)	(249.21)
Unabsorbed Loss	(2.03)	(2.41)	(2.30)
Others	64.68	50.18	34.93
<b>Total</b>	<b>530.97</b>	<b>423.79</b>	<b>316.11</b>



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### Movement in deferred tax account for the year

Particulars	Charged to PL during the year ended March 2018	Charged to PL during the year ended March 2017
Property, Plant and Equipment & Intangible assets	(98.28)	32.48
Employee Benefits	3.18	3.21
Debtors	187.40	56.85
Unabsorbed Loss	0.38	(0.11)
Others	14.50	15.25
<b>Total</b>	<b>107.18</b>	<b>107.68</b>

### 22. Borrowings-Current

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
<b>Secured</b>			
<b>From Banks<sup>(1)</sup></b>			
Foreign Currency Loan	1,923.27	1,567.72	2,194.88
Rupee Loan	379.11	426.82	952.63
	<b>2,302.38</b>	<b>1,994.54</b>	<b>3,147.51</b>

<sup>(1)</sup>Secured by hypothecation of inventory, movable properties and Book Debts, both present and future, and equitable mortgage of company's Factory Leasehold Land and Building situated at Chambaghat Solan, Himachal Pradesh.

Foreign Currency loan represents trade finance payable in 180 days and rupee loan is repayable on demand.

### 23. Trade Payables

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Micro, Small and Medium Enterprises	7.14	2.38	1.29
Related Parties	52.85	81.16	27.65
Others	1,680.37	733.22	576.86
	<b>1,740.36</b>	<b>816.76</b>	<b>605.80</b>

### 24. Other Financial Liabilities

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Current maturities of long-term borrowings (refer note no.19)	543.18	333.43	517.85
Interest accrued but not due on borrowings	10.08	7.15	6.96
Interest accrued and due on borrowings	2.08	2.70	4.25
Unclaimed dividends	7.14	6.53	6.39
Bonus Payable	48.16	43.24	66.34
Expenses Payable	98.46	117.85	60.63
Others	83.55	71.61	63.45
	<b>792.65</b>	<b>582.51</b>	<b>725.87</b>



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 25. Other Current Liabilities

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Statutory Dues	69.14	70.55	58.65
Advance from Customers	76.88	45.06	127.52
Advance from Others	26.26	126.26	125.00
	<b>172.28</b>	<b>241.87</b>	<b>311.17</b>

### 26. Provisions- Current

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Compensated absence	2.89	2.42	2.10
Gratuity	7.79	19.07	7.07
Excise Duty	-	26.64	14.35
	<b>10.68</b>	<b>48.13</b>	<b>23.52</b>

### 27. Current Tax Liabilities

( ₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Provision for Tax (Net of Advance Tax)	67.85	38.55	72.95
	<b>67.85</b>	<b>38.55</b>	<b>72.95</b>

### 28. Revenue from Operations

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Sale of products (including Excise Duty)	15,912.15	12,408.51
Sale of Services	71.96	145.53
Other Operating Revenues	183.86	2.95
	<b>16,167.97</b>	<b>12,556.99</b>

### 29. Other Income

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Interest on deposits	3.34	5.75
Rent Received	3.60	3.60
Miscellaneous Income	43.96	1.50
Exchange Fluctuation Gain	179.03	195.69
Income from fair value changes	0.22	0.53
	<b>230.15</b>	<b>207.07</b>



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 30. Cost of Materials Consumed

(₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Raw Material Consumed	8,953.47	6,487.90
	<b>8,953.47</b>	<b>6,487.90</b>

### 31. Decrease/(Increase) in Inventories of Finished Goods and Work-in Progress

(₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
<b>Inventory (at Beginning)</b>		
-Finished Goods	326.05	144.92
-Work-in-Progress	664.39	563.58
-Scrap	3.31	0.90
	993.75	709.40
<b>Inventory (at Close)</b>		
-Finished Goods	602.32	326.05
-Work-in-Progress	1,168.87	664.39
-Scrap	12.87	3.31
	1,784.06	993.75
<b>(Increase)/Decrease</b>	<b>(790.31)</b>	<b>(284.35)</b>

### 32. Employee Benefit Expenses

(₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Salaries and Wages	1,230.92	1,038.12
Contributions to -		
(i) Provident fund	72.38	59.98
(ii) ESI Contribution	15.66	11.46
(iii) Gratuity Expenses	16.14	14.17
Staff welfare expenses	112.80	117.71
	<b>1,447.90</b>	<b>1,241.44</b>

#### 32.1 Disclosure pursuant to Ind AS 19 "Employee Benefits":

The disclosures required under Ind AS 19 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

##### (I) Defined Contribution Plan

- (a) Provident Fund
- (b) State defined contribution plans
  - Employees' Pension Scheme 1995

The Provident Fund and State defined contribution plan are operated by the regional provident fund commissioner. Under the scheme, the company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. These funds are recognized by the Income tax authorities.

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

( ₹ in lacs)

Particulars	2017-18	2016-17
(a) Employer's Contribution to Provident Fund	46.15	36.27
(b) Employer's Contribution to Pension Scheme	26.23	23.71

### (II) Defined Benefit Plan

#### (a) Gratuity

The employees' Gratuity fund scheme has been managed by Life Insurance Corporation of India and the present value of obligation is determined by Independent Actuary using the Projected Unit Credit (PUC) Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Actuary has carried out the valuation based on the followings assumptions:

Particulars	2017-18	2016-17
Discounting Rate (per annum)	7.73%	7.54%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Expected Average remaining working lives of employees in no. of years	20.52	20.63
Mortality Table	IALM (2006-08)	

( ₹ in lacs)

Particulars	Gratuity (Funded)	
	2017-18	2016-17
<b>(a) Changes in Present Value of Obligation</b>		
Opening balance of Present value of obligation	172.46	147.74
Interest Cost	13.00	11.82
Current Service Cost	14.70	13.60
Benefits Paid	(3.49)	(12.08)
Actuarial (Gain)/Loss arising from change in financial assumption	(3.79)	8.07
Actuarial (Gain)/Loss arising from experience adjustment	4.40	3.32
Closing Balance of Present value of obligation	197.28	172.46
<b>(b) Changes in Fair Value of Plan Assets</b>		
Opening balance of Fair Value of Plan Assets	153.39	140.67
Expected Return on Plan Assets	11.56	11.25
Employer's Contribution	24.89	13.13
Benefits paid	(3.49)	(12.08)
Actuarial Gain/ (Loss) on Plan Assets	1.14	0.42
Closing balance of Fair value of Plan Assets	187.49	153.39
Actual return on Plan Assets	12.70	11.67
<b>(c) Percentage of each category of Plan Assets to total Fair value of Plan assets</b>		
Adminstrated by Life Insurance Corporation of India	100%	100%



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



Particulars	Gratuity (Funded)	
	2017-18	2016-17
<b>(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets</b>		
Closing Balance of Present Value of Obligation	197.28	172.46
Closing Balance of Fair Value of Plan Assets	187.49	153.39
(Asset)/ Liability recognised the Balance Sheet	9.79	19.07
<b>(e) Amount Recognised in the Balance Sheet</b>		
Closing Balance of Present Value of Obligation	197.28	172.46
Closing Balance of Fair Value of Plan Assets	187.49	153.39
Funded (Asset)/ Liability recognized in the Balance Sheet	9.79	19.07
Unfunded Liability recognised in the Balance Sheet	-	-
<b>(f) Expenses recognised in the statement of Profit and Loss</b>		
Current Service Cost	14.70	13.60
Interest Cost	13.00	11.82
Expected Return on Plan Assets	(11.56)	(11.25)
Expenses recognized in the statement of Profit and Loss	16.14	14.17
<b>Remeasurement of Defined Benefit Obligation</b>		
Actuarial (Gain)/Loss arising from change in financial assumption	(3.79)	8.07
Actuarial (Gain)/Loss arising from experience adjustment	4.40	3.32
Return on plan assets	(1.14)	(0.42)
Expenses recognized in the statement of Other Comprehensive Income	(0.53)	10.97
<b>(g) Experience Adjustments</b>		
Experience adjustment on Plan Liabilities (loss)/gain	(0.60)	(11.39)
Experience adjustment on Plan Assets (loss)/ gain	1.14	0.42
<b>(h) Sensitivity Analysis of the defined benefit obligation</b>		
a) Impact of the change in discount rate		
Present value of the obligation at the end of the period	197.28	172.46
Impact due to increase of 0.50%	(9.51)	(8.87)
Impact due to decrease of 0.50%	10.29	9.51
b) Impact of the change in salary increase		
Present value of the obligation at the end of the period	197.28	172.46
Impact due to increase of 0.50%	9.75	9.61
Impact due to decrease of 0.50%	(9.11)	8.93



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### i) Maturity Profile of Defined Benefit Obligation

Year	Amount
0 to 1 Year	13,62,449
1 to 2 Year	4,88,385
2 to 3 Year	4,41,884
3 to 4 Year	7,43,496
4 to 5 Year	3,02,782
5 to 6 Year	3,00,175
6 Year onwards	1,60,88,896

### (b) Compensated Absence

The obligation for compensated absence is recognised in the same manner as Gratuity.

### 33. Finance Costs

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Interest expense on		
(i) Borrowings	174.00	162.28
(ii) Others	1.08	4.81
(iii) Interest on Income Tax	6.85	6.60
Other Borrowing costs	75.03	62.58
Exchange difference regarded as an adjustment to borrowing cost	78.86	25.49
<b>Total</b>	<b>335.82</b>	<b>261.76</b>
Less: Transferred to CWIP (refer note no 3.3)	4.69	7.51
<b>Finance Costs transferred to Statement of Profit &amp; Loss Account</b>	<b>331.13</b>	<b>254.25</b>

### 34. Manufacturing & Other Expenses

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Stores & Spares Consumed	275.70	230.90
Power & Fuel	189.64	178.17
Job Work Expenses	52.00	95.53
Machinery Repairs	199.28	178.68
Research & Development	145.86	19.24
Electricity and Water Charges	12.52	12.58
Watch & Ward Expenses	5.90	5.80
Building Repairs	55.22	46.67
Other Repairs	94.88	111.86
Insurance	13.66	7.05
Rent, Rates and Taxes	127.75	102.01
Travelling & Conveyance	121.32	114.49



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Printing & Stationery	15.67	19.01
Communication Expenses	20.97	20.94
Professional and Consultancy Charges	162.59	55.39
Payment to Auditors	21.40	40.27
CSR Expenditure	20.73	14.54
Miscellaneous Expenses	45.39	51.18
Business Promotion /Development, Advertisement & Publicity	19.63	16.45
Commission on Sales	959.89	476.83
Packing Cost	483.90	332.25
Forwarding & Freight	579.21	388.85
Profit and Loss on Sale of Fixed Assets	0.01	-
Provision for Expected Credit Losses (refer note 11)	15.40	3.68
Change in Excise Duty on Closing Stock	(26.64)	12.29
	<b>3,611.88</b>	<b>2,534.66</b>

### 35. Exceptional Items (Income)/Expenses

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Exceptional Items Expenses		
-Loss on Sale of Fixed Assets	-	8.77
	-	8.77
Exceptional Items Income		
-Liabilities/Provisions Written Back	1.24	3.95
- Profit on Sale of Assets	-	1.58
	1.24	5.53
<b>Net (Income)/Expenses</b>	<b>(1.24)</b>	<b>3.24</b>

### 36. Income Tax Expense recognised in the profit and loss account.

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
<b>Current Tax:</b>		
In respect of the Current Year	564.57	437.60
In respect of the Previous Year	(62.77)	2.76
<b>Deferred Tax:</b>		
In respect of the Current Year	107.18	107.68
<b>Income Tax Expense recognised in the Statement of Profit &amp; Loss</b>	<b>608.98</b>	<b>548.04</b>

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### Effective Tax Reconciliations

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Profit before tax</b>	2,261.59	1,369.54
Applicable Tax rate	34.608%	34.608%
Computed tax expense	782.69	473.97
<b>Tax effect of;</b>		
Income Exempt from taxation	0.08	0.07
Weighted deduction on research and development expenditure	(25.24)	-
Excess interest/provision	-	11.20
Expense Disallowed	5.22	16.10
Effect of change in tax rate	(86.27)	13.13
Earlier year tax	(62.77)	2.76
Share of Associates or Joint Venture	(4.48)	24.23
<b>Others</b>	(0.25)	6.58
Tax Expense recognised in Statement of Profit and Loss	608.98	548.04

### 37. Earnings Per Share

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Net Profit attributable to shareholders ( ₹ in lacs)	1,653.69	813.26
Weighted average number of equity Shares	38,402,800	38,402,800*
Basic and Diluted Earnings per share ( ₹)	4.31	2.12
Face Value per Equity Share ( ₹)	2	2

\* The earning per share figures for the year ended 31<sup>st</sup> March 2017 have been restated to give effect to the allotment of bonus shares, as required by Ind AS 33.

### 38. Contingent Liabilities in respect of:

( ₹ in lacs)

Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
<b>(A) Contingent Liabilities</b>		
(I) Claim Against the Company Not Acknowledged as Debts*	17.87	17.87
(a) In respect of Joint Venture	5.17	5.17
(b) In respect of Others	-	-
(II) Guarantees		
(I) Letters of Credit established by the bank	984.17	563.10
(a) In respect of Joint Venture	2.62	2.99
(b) In respect of Others	-	-
II. Corporate Guarantee(s) on behalf of JV/ Associate Company	966.50	737.00
c. Surety with Sales Tax Department	5.00	5.00
(a) In respect of Joint Venture	1.50	1.50



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



Particulars	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
d. Duty foregone in respect of Joint-Venture		
Raw Material	53.90	35.94
Capital Goods	15.64	18.16
Other	2.61	2.10
(III) Other Money for which the Company is Contingently Liable		
a. Buyers Credit Interest payable	4.45	6.27
b. Customs duty on Material imported against Advance License / Annexure, for pending export obligation	528.91	280.19
C. Local Sales tax Authorities		
(a) In respect of Joint Venture	3.38	4.43

\*Demand raised by Central Excise & Service Tax Commissionerate towards Cenvat Credit of excise duty ₹17.87 lacs (Previous Year ₹ 17.87 lacs). However the Company has been legally advised that the demand is not enforceable against the Company, being bad in law.

### (B) Commitments

Estimated amount of contracts (net of advances) exceeding ₹ 1.00 lakh in each case remaining to be executed on capital account and not provided for	156.41	314.38
In respect to Joint-Venture	-	4.47

39. Customs Duty not provided for in respect of materials lying in Bonded Warehouses / Materials in Transit as on Balance Sheet date, is of ₹ 75.07 lacs inclusive of Cenvatable amount of ₹ 53.00 lacs (Previous Year ₹ 103.39 lacs inclusive of Cenvatable amount of ₹ 77.77 lacs). However, the above policy has no impact on the operating results of the Company.

40. The Company's activities involve predominantly one operating segment i.e. Process and product Engineering, which are considered to be within a single operating segment since these are subject to similar risks and returns. Accordingly, Process and Product Engineering comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by Ind AS 108- Segment Reporting has been disclosed as below.

### a) Revenue from Operations (₹ in lacs)

Particulars	India		Rest of world		Total	
	Year Ended March 18	Year Ended March 17	Year Ended March 18	Year Ended March 17	Year Ended March 18	Year Ended March 17
Segment Revenue	7,458.61	5,745.96	8,255.82	5,984.09	15,714.43	11,730.05

### b) Non Current Operating assets

All Non Current Assets other than financial instruments, deferred tax assets of the company are located in India.

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 41. “Related Party Disclosure” for the year ended 31<sup>st</sup> March, 2018 in accordance with Ind AS 24:

(i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Party	Relationship
1.	Checon Shivalik Contact Solutions Pvt. Ltd.	Joint Venture
2.	Innovative Clad Solutions Pvt. Ltd.	
3.	Shivalik Bimetal Engineers Pvt. Ltd.	Associate
4.	Mr. S. S Sandhu	Key Managerial Personnel (KMP)
5.	Mr. N. S. Ghumman	
7.	Mr. Kabir Ghumman	Relative of Key Managerial Personnel
8.	Mr. Sumer Ghumman	
9.	TSL Holdings Ltd.	Enterprises over which Key Managerial Persons are able to exercise significant influence
10.	Angad Estates Pvt. Ltd.	
11.	Amar Engineering Company Pvt. Ltd.	
12.	Ultra Portfolio Management Pvt. Ltd.	
13.	O.D.Finance and Investment Pvt. Ltd.	
14.	Sahiba Ruhani Estates Private Limited	
15.	ABS Foundation	Independent Directors
16.	Mr. Rohit Kapoor	
17.	Mr. Nirmaljeet Singh Gill	
18.	Mr. Gurmeet Singh Gill	
19.	Mr. J.S.Mann	
20.	Lt. Gen. Pradeep Khanna	
21.	Mrs. Harpreet Kaur	

### (ii) Transactions during the year with related parties:

(₹ in lacs)

Sr. No.	Nature of Transactions	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence	Independent Directors
1.	Managerial Remuneration	361.64 (225.27)			
2.	Sitting Fees				0.64 (0.52)
3.	Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit.		38.62 (40.79)		

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



Sr. No.	Nature of Transactions	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence	Independent Directors
3.1	Gratuity and Earned Leave Benefits		1.33 (1.10)		
4.	Rent Paid		3.80 -	80.20 (68.46)	
5.	CSR Expenditure			9.00 -	
6.	Unsecured Loans				
	i) Taken			666.00 (217.55)	
	ii) Repaid			230.62 (171.91)	
7.	Finance Costs			86.78 (59.78)	

### Balances as at 31<sup>st</sup> March 2018

8.	Security Deposits		13.50 (13.50)
9.	Unsecured Loans		919.10 (483.72)
10.	Payable	0.41 -	

Figures in ( ) indicate previous year's figures.

## 42. FINANCIAL INSTRUMENTS

### 42.1 Capital Management

The Company's capital management objectives are;

- to maintain healthy Credit rating, Capital Ratios and Leverage.
- to maximise return to the Shareholders.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



changes in economic conditions and the risk characteristics of the underlying assets. The Principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings.

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Non Current Borrowings ( Incl Current Maturities)	1,299.50	879.21	1,071.05
Short Term Borrowings	2,302.38	1,994.54	3,147.51
Less: Cash and cash equivalents	22.58	17.92	811.59
Less: Bank Balance other than Cash and Cash Equivalents	12.51	91.48	78.85
Less: Investment in Gold Coins	30.57	30.57	30.57
Net debt	3,536.22	2,733.78	3,297.55
Total equity (as shown on the face of balance sheet)	8,299.21	6,841.96	6,086.47
Net debt to equity ratio (Gearing Ratio)	43%	40%	54%

### 42.2 Financial Instruments by categories

(₹ in lacs)

Particulars	As at 31 March 2018			As at 31 March 2017			As at 1 April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments*	3.61	-	-	3.39	-	-	2.87	-	-
Loans	-	-	36.07	-	-	34.58	-	-	32.88
Trade receivables	-	-	3,359.03	-	-	2,641.59	-	-	2,425.37
Cash and cash equivalents	-	-	22.58	-	-	17.92	-	-	811.59
Other bank balances	-	-	12.51	-	-	91.48	-	-	78.85
Other Financial Assets	-	-	144.47	-	-	4.02	-	-	11.68
<b>Total</b>	<b>3.61</b>	<b>-</b>	<b>3,574.65</b>	<b>3.39</b>	<b>-</b>	<b>2,789.59</b>	<b>2.87</b>	<b>-</b>	<b>3,360.37</b>
Financial liabilities									
Borrowings	-	-	3,601.88	-	-	2,873.75	-	-	4,218.56
Trade payable	-	-	1,740.36	-	-	816.76	-	-	605.80
Other financial liabilities	-	-	237.31	-	-	239.23	-	-	196.81
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,579.55</b>	<b>-</b>	<b>-</b>	<b>3,929.74</b>	<b>-</b>	<b>-</b>	<b>5,021.17</b>

### Fair Value Measurement

- Carrying amount of Financial assets and financial liabilities recorded at amortized cost approximates their fair value.
- Investment in Equity instrument of other companies is measured at its fair value using Level 3 valuation techniques.





## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 42.3 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk, Foreign Currency Risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

### 42.4 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness.

#### a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. The company has a policy of only dealing with credit worthy parties.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

#### b) Expected credit losses

The Company provides for expected credit losses based on the following:

The company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables.

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		As at 1 <sup>st</sup> April 2016	
	> 3 Years	0-3 Years	> 3 Years	0-3 Years	> 3 Years	0-3 Years
Gross amount of trade receivables where no default (as defined above) has occurred	-	3,376.06	545.27	2,652.15	744.07	2,435.05
Expected loss rate	-	0.50%	100%	0.40%	100%	0.40%
Expected credit loss (loss allowance provision)	-	17.03	545.27	10.56	744.07	9.68

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



Reconciliation of loss provision – lifetime expected credit losses	
Loss allowance as on 1 <sup>st</sup> April 2016	753.75
Impairment loss recognised during the year	3.68
Amounts written off	201.60
Loss allowance on 31 <sup>st</sup> March 2017	555.83
Impairment loss recognised during the year	15.40
Amounts written off	554.20
Loss allowance on 31 <sup>st</sup> March 2018	17.03

### 42.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management measures involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these obligations.

#### Maturities of financial liabilities

The tables below analyses the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. For balances due within 12 months amounts equal their carrying values as the impact of discounting is not significant.

(₹ in lacs)

As at 31 <sup>st</sup> March 2018	Less than 1 year	1-2 years	2-3 year	More than 3 years	Total
Long term borrowings (including interest)	555.35	388.17	192.68	163.30	1,299.50
Short term borrowings	2,302.38	-	-	-	2,302.38
Trade payable	1,740.36	-	-	-	1,740.36
Other financial liabilities	237.31	-	-	-	237.31
<b>Total</b>	<b>4,835.40</b>	<b>388.17</b>	<b>192.68</b>	<b>163.30</b>	<b>5,579.55</b>

As at 31 <sup>st</sup> March 2017	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Long term borrowings (including interest)	343.29	286.03	194.92	54.97	879.21
Short term borrowings	1,994.54				1,994.54
Trade payable	816.76				816.76
Other financial liabilities	239.23				239.23
<b>Total</b>	<b>3,393.82</b>	<b>286.03</b>	<b>194.92</b>	<b>54.97</b>	<b>3,929.74</b>

As at 1 <sup>st</sup> April 2016	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Long term borrowings (including interest)	529.06	188.38	223.84	129.77	1,071.05
Short term borrowings	3,147.51				3,147.51
Trade payable	605.80				605.80
Other financial liabilities	196.81				196.81
<b>Total</b>	<b>4,479.18</b>	<b>188.38</b>	<b>223.84</b>	<b>129.77</b>	<b>5,021.17</b>

### 42.6 Market Risk

The company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The company seeks to minimize the effects of these risks by minutely observing the variation and fluctuation on regular basis. Compliance of exposure volume is reviewed by the management on real time basis and taking corrective measures as and when required.

### 42.7 Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company.

#### (i) Foreign currency risk exposure:

The Companies exposure to foreign currency risk at the end of the reporting period are as follows

(₹ in lacs)

Particulars	FC	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
		FC (Nos)	Amount	FC (Nos)	Amount
<b>Financial Liabilities</b>					
Loans	EURO	1,668,487	1,345.17	369,866	256.12
	USD	855,193	556.25	2,218,964	1,438.74
Creditors	EUR	162,797	131.25	106,261	73.58
	USD	1,167,894	759.65	330,708	214.43
Others	EUR	1,336	1.08	826	0.57
	USD	7,036	4.58	67,785	43.95
<b>Financial assets</b>					
Debtors	EUR	562,657	453.63	374,793	259.53
	USD	1,799,061	1,170.18	1,438,031	932.40
Cash & Bank Balance	EUR	687	0.55	4,004	2.77
	USD	6,663	4.33	2,777	1.80
<b>Net exposure to foreign currency risk (Liabilities)</b>	EUR	<b>1,269,276</b>	<b>1,023.32</b>	<b>98,156</b>	<b>67.97</b>
	USD	<b>224,399</b>	<b>145.96</b>	<b>1,176,649</b>	<b>762.92</b>

Sensitivity analysis of 5% change in the exchange rate at the end of reporting period

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>5% Depreciation in INR</b>		
USD sensitivity	145.96	762.92
Impact on Equity and Profit and Loss	(7.30)	(38.15)
Euro Sensitivity	1,023.32	67.97
Impact on Equity and Profit and Loss	(51.17)	(3.40)
<b>5% Appreciation in INR</b>		
USD sensitivity	145.96	762.92
Impact on Equity and Profit and Loss	7.30	38.15
Euro Sensitivity	1,023.32	67.97
Impact on Equity and Profit and Loss	51.17	3.40

### 42.8 Interest rate risk

#### i) Liabilities

Interest rate risk is the risk that the fair value or future cash flows of a financial Assets/Liabilities because of changes in market interest rates. The company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate and LIBOR rates.

#### ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
Variable rate borrowing	2,302.38	1,994.54	3,147.51
Fixed rate borrowing	1,299.51	879.21	1,071.05
Total borrowings	3,601.88	2,873.75	4,218.56

### Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016
	Equity and Profit & Loss Account	Equity and Profit & Loss Account	Equity and Profit & Loss Account
Interest sensitivity*			
Interest rates – increase by 1%	(23.02)	(19.95)	(31.48)
Interest rates – decrease by 1%	23.02	19.95	31.48

### 42.9 Price Risk

The Company does not have significant exposure to price risk on its financial assets and liabilities.

### 43. First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial statements is set out in the following tables and notes.



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 43.1 Exemptions and exceptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following material exemptions:

#### a) **Deemed cost as fair value for Property, Plant and Equipment**

In Accordance with Ind AS-101, company has elected to measure items of its Property, Plant and Equipment at their fair value at the date of transition to Ind ASs and use that fair value as its deemed cost at that date. The resultant impact being accounted for in the reserves. The aggregate fair value of Property, Plant and Equipment where the exemption is availed amounted to ₹ 4,469.64 Lacs with an aggregate upward adjustment of ₹1,406.92 Lacs being recognised to the carrying value reported under previous GAAP.

#### b) **Deemed cost of investment in Associates and Joint Ventures**

Ind AS 101 allows an entity to treat Previous GAAP carrying value or fair value on the date of transition to Ind AS as deemed cost for investments held in associates and joint ventures. Accordingly, the Company has elected to treat fair value of one of the the investment in Joint ventures at deemed cost and carrying value as deemed cost in case of other investments. The aggregate transition date fair value of such investments was ₹ 683.42 Lacs with a downward adjustment of ₹ 828.59 Lacs being recognised to the carrying value reported under the Previous GAAP, while the aggregate carrying value of the investments for which Previous GAAP carrying value has been considered deemed cost was ₹ 243.73.

#### c) **Long Term Foreign Currency Monetary Item**

For its Long Term Foreign Currency Monetary Items, the Company has opted to continue its Previous GAAP policy for accounting of exchange differences arising from the translation of long-term foreign currency monetary. Accordingly exchange differences, arising on translation/ settlement of long term foreign currency monetary items recognised before 1 April 2017, pertaining to the acquisition of a depreciable assets, are adjusted to the cost of the asset.

The Company has applied the following mandatory exceptions:

#### a) **Estimates**

The estimates as at 1 April 2016 and as at 31 March 2017 are consistent with those made for the same dates in accordance with Previous GAAP apart from the impairment of financial assets based on Expected Credit Loss (ECL) model where application of Previous GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1 April 2016 the date of transition to Ind AS, and as of 31 March 2017.

#### b) **Classification of financial assets**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

### 43.2 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS:

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



**A) Reconciliation of Total Equity as at 1<sup>st</sup> April 2016 and 31<sup>st</sup> March 2017** (₹ in Lacs)

Particulars	Notes	As at 31 March 2017	As at 1 April 2016
<b>Total Equity Reported as per CFS (Previous GAAP)</b>		<b>6,294.85</b>	<b>5,476.46</b>
Impact of adopting fair value as deemed cost for property, plant and equipment	1	1,305.88	1,399.91
Impact of adopting fair value as deemed cost for investment in joint venture	2	(828.59)	(828.59)
Impact of measuring equity investments at fair value through Profit or Loss (FVTPL)	2	1.40	0.87
Adjustment on account of expected credit losses	3	(555.83)	(654.37)
Spares capitalised	4	-	(5.29)
Adjustment in other Equity on account of adopting Equity Method	7	821.95	817.32
Deferred tax adjustments on above	5	(197.70)	(119.84)
<b>Total Equity as reported under Ind AS</b>		<b>6,841.96</b>	<b>6,086.47</b>

**B) Reconciliation of Total Comprehensive Income for the Year ended 31<sup>st</sup> March 2017**

Particulars	Notes to reconciliation	Year ended 31 <sup>st</sup> March, 2017
<b>Profit after tax as reported under previous GAAP</b>		<b>878.96</b>
Impact of adopting fair value as deemed cost for property, plant and equipment	1	(94.06)
Impact of measuring equity investments at fair value through Profit or Loss (FVTPL)	2	0.53
Adjustment on account of expected credit losses	3	98.52
Remeasurement of defined benefit obligations recognised in OCI	6	12.44
Adjustment in other Equity on account of adopting Equity Method	7	5.33
Deferred tax adjustments on above	5	(76.02)
Current tax adjustments on amounts reclassified to OCI		(4.20)
<b>Profit after tax as reported under Ind-AS</b>		<b>821.50</b>
<b>Other Comprehensive Income</b>		
Remeasurement of defined benefit obligations	6	(12.44)
Tax adjustments on above		4.20
<b>Total Comprehensive income as reported under Ind-AS</b>		<b>813.26</b>



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### C) Reconciliation of Statement of Cash Flow for the Year ended 31<sup>st</sup> March 2017

(₹ in Lacs)

Particulars	Previous GAAP*	Effect of Transition to Ind AS*	As per Ind AS
Net cash generated from/(used in) operating activities	1,173.47		1,173.47
Net cash generated from/(used in) investing activities	(310.45)		(310.45)
Net cash generated from/(used in) financing activities	(1,656.56)	0.14	(1,656.70)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(793.54)</b>	<b>0.14</b>	<b>(793.67)</b>
Cash and cash equivalents as at 1 April 2016	817.98	6.39	811.59
Cash and cash equivalents as at 31 March 2017	24.45	6.53	17.92

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

\*\* Under previous GAAP unclaimed dividend bank accounts were included in Cash and cash equivalents, under Ind AS the same have been included in Other Bank Balances

#### Notes to reconciliations

#### 1) Impact of adopting fair value as deemed cost for property, plant and equipment

In accordance with the optional exemption included in note 44.1(a) and (b) above, the Company recorded items of its property, plant and equipment and certain investments in associate/ joint venture at fair value on the date of transition to Ind AS.

#### 2) Impact of measuring equity investments at fair value through Profit or Loss (FVTPL)

Ind AS requires investments in equity shares other than in subsidiaries, joint ventures and associates to be measured at fair value. The Company has classified one such investment to be measured at fair value through profit and loss.

#### 3) Adjustment on account of expected credit losses

Under the previous GAAP, the provision for doubtful receivables was recognized based on specific assessment of individual customers. Under Ind AS, the Company has recognised impairment loss on trade receivables based on the expected credit loss model where expected a probability weighted expectation life time credit loss is recognised.

#### 4) Spares capitalised

Under previous GAAP spares were recognised as inventory and charged to Profit and Loss upon issuance was charged to Profit and Loss unless it increased the future benefits from the existing asset beyond its previously assessed standard of performance.

Under Ind AS spares have been capitalised if they were held by the Company for use in business and that is expected to be used for more than one year. The adjustment results in upward movement of ₹6.98 lacs in Property, plant and equipment.

#### 5) Deferred tax adjustments on Ind AS adjustments

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period.

Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transition adjustments have also lead to recognition of deferred tax on new temporary differences.

#### 6) Remeasurement of defined benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements formed part of the profit or loss for the year.



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



### 7) Consolidation of Joint Venture and Associates

Under Ind AS, consolidation of Joint-venture and associates are as per the Equity method instead of proportionate consolidation as per previous GAAP.

### 44:- Interest in Associate and Joint Ventures

#### Annexure-A :-Statement pursuant to Section 129 (3) of the Companies Act,2013 related to Associate and Joint Ventures

Sr. No	Name of Associate/Joint Ventures	Latest audited Balance Sheet Date	The Date on which the Associate or joint ventures was associated or acquired	Shares of Associate/Joint Ventures held by the Company on the year end			Net Worth attributable to Shareholding as per latest audited Balance Sheet (Rs in Lacs)	Profit/Loss for the Year		Description of how there is significant influence	Reason why the Associate/ Joint Ventures is not Consolidated
				No.	Amount of investment in Associate/ Joint Ventures (Rs in Lacs)	Extent of Holding %		Considered in Consolidation (Rs In Lacs)	Not Considered in Consolidation		
Joint Ventures											
1	Checon Shivalik Contact Solutions Private Limited	31/3/2018	1/12/2005	1,710,900	221.45	50.00%	366.45	59.28	59.28	Due to percentage (50%) of Voting Power.	N.A.
2	Innovative Clad Solutions Private Limited	31/3/2018	4/3/2008	15,120,000	683.42	16.01%	296.33	4.50	23.59	In accordance with terms of JV Agreement and the constitution of Board	N.A.
Associate											
1	Shivalik Bimetal Engineers Private Limited	31/3/2018	27/2/2008	222,750	22.28	45.00%	61.19	11.37	13.90	Due to percentage (45%) of Voting Power.	N.A.

#### Annexure "B"

#### ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS ASSOCIATE/JOINT VENTURES

Sr. No	Name of the Enterprise	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (Rs in Lacs)	As % of consolidated profit or loss	Amount (Rs in Lacs)	As % of Consolidated other Comprehensive Income	Amount (Rs in Lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in Lacs)
Joint Ventures									
1	Checon Shivalik Contact Solutions Private Limited	8.83	732.90	3.59%	59.28	60.89%	0.66	50.00%	59.93



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2018



2	Innovative Clad Solutions Private Limited	22.30	1850.88	0.27%	4.50	6.39%	0.07	16.01%	4.57
<b>Associate</b>									
1	Shivalik Bimetal Engineers Private Limited	1.64%	135.97	0.69%	11.37	0.00%	-	45.00%	11.37

### Annexure "C"

#### Enterprises consolidated as Associate and Joint Ventures in accordance with Ind AS-28

Name of The Enterprises	Country of Incorporation	Proportionate Interest
<b>Joint Ventures</b>		
Checon Shivalik Contact Solutions Private Limited	India	50%
Innovative Clad Solutions Private Limited	India	16.01%
<b>Associate</b>		
Shivalik Bimetal Engineers Private Limited	India	45%



## SHIVALIK BIMETAL CONTROLS LIMITED

Registered Office: 16-18, New Electronics Complex, Chambaghat, Distt. Solan -173213 (H.P.) (INDIA)

CIN: L27101HP1984PLC005862

Phone: +91-1792-230578, 230175, 230243, Email: investor@shivalikbimetals.com,

Website: www.shivalikbimetals.com

### ATTENDENCE SLIP

(to be handed over at the registration counter)

Name of the member (s): .....

Address: .....

.....

Folio No. / Client Id: ..... DP ID:.....

No. of shares:.....

I/We hereby record my/our presence at the 34<sup>th</sup> Annual General Meeting of the Company on Thursday, 27<sup>th</sup> day of September, 2018 at 4th floor, Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts), Solan (H.P.)-173212, at 10.30 AM.

.....  
First/sole holder/Proxy

.....  
Second holder/Proxy

.....  
Third holder/Proxy





**Form No MGT 11  
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

**SHIVALIK BIMETAL CONTROLS LIMITED**

**Registered Office: 16-18, New Electronics Complex, Chambaghat, Distt. Solan -173213 (H.P.) (INDIA)**

**CIN: L27101HP1984PLC005862**

Phone: +91-1792-230578, 230175, 230243, Email: investor@shivalikbimetals.com,

Website: www.shivalikbimetals.com

Name of the member (s): .....
Registered Address: .....
E-mail ID: .....
Folio No. / Client Id: ..... DP ID: .....

I/We, being the member (s) of ..... shares of the Shivalik Bimetal Controls Limited, hereby appoint.

- Name: ..... Address: .....  
EmailId: ..... Signature: .....
- Name: ..... Address: .....  
EmailId: ..... Signature: .....
- Name: ..... Address: .....  
EmailId: ..... Signature: .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 27<sup>th</sup> of September, 2018 at 4th floor, Hotel City Heights, City Centre Plaza, The Mall (Opposite District Court), Solan (H.P.)-173212, at 10.30 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Ordinary Business
1.	To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated Financial Statements) of the Company for the financial year ended 31 <sup>st</sup> March, 2018 and the Reports of Directors and Auditors thereon.
2.	To confirm the payment of Interim Dividends and to declare a Final Dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March, 2018.
3.	To appoint a Director in place of Mr. N.S. Ghumman (DIN: 00002052), who retires by rotation and being eligible, offers himself for reappointment.
Special Business	
4	To ratify the remuneration of the Cost Auditors for the financial year ending 31 <sup>st</sup> March, 2019.
5	To increase in the borrowing limits.

Signed this ..... day of ..... 2018

Signature of Shareholder: .....

Signature of Proxy holder (s) : .....

Affix a  
Revenue  
Stamp of  
Rs. 1.00

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**

## Route Map for 34th Annual General Meeting









## **SHIVALIK BIMETAL CONTROLS LIMITED**

CIN: L27101HP1984PLC005862

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Email : [investor@shivalikbimetals.com](mailto:investor@shivalikbimetals.com)

Website: [www.shivalikbimetals.com](http://www.shivalikbimetals.com)