

28th Annual Report 2011-12



**SHIVALIK BIMETAL
CONTROLS LIMITED**





BOARD OF DIRECTORS

Board of Directors : Mr. S.S. Sandhu, Chairman
Mr. N.S. Ghumman, Managing Director
Mr. D.J.S. Sandhu, Dy. Managing Director
Mr. S.C. Verma, Director
Mr. A.K. Sud, Director
Mr. Rohit Kapoor, Director
Mr. G.S. Gill, Director
Mr. N.J.S. Gill, Director
Mr. G.C. Prabhu, Director

CFO-Corporate : Mr. K.S. Negi
Company Secretary : Mr. Ram Pravesh

Registered Office : 16-18, New Electronics Complex,
Chambaghat, Distt. Solan-173213
Himachal Pradesh

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

Statutory Auditors : Malik S & Co.,
Chartered Accountants,
New Delhi

Bankers : Indian Bank

Registrar & Share Transfer Agent : 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

CONTENTS

Page No.

<input type="checkbox"/> Notice to the Members	1
<input type="checkbox"/> Annexure to Notice	3
<input type="checkbox"/> Directors' Report.....	4
<input type="checkbox"/> Annexure to Directors' Report.....	9
<input type="checkbox"/> Management Discussion & Analysis	11
<input type="checkbox"/> Report on Corporate Governance.....	14
<input type="checkbox"/> Managing Director (MD) and Chief Financial Officer (CFO) Certificate	26
<input type="checkbox"/> Auditors' Certificate on Corporate Governance	27
<input type="checkbox"/> Auditors' Report on Financial Statements	28
<input type="checkbox"/> Balance Sheet.....	31
<input type="checkbox"/> Statement of Profit & Loss Account	32
<input type="checkbox"/> Cash Flow Statement	33
<input type="checkbox"/> Significant Accounting Policies	34
<input type="checkbox"/> Notes to Financial Statements	38
<input type="checkbox"/> Registration Form	56
<input type="checkbox"/> Attendance Slip and Proxy Form	57

Important Communication to Members

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless Compliances by the Companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to provide / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members holding shares in physical form are requested to fill the Registration Form (refer page 56 of the Annual Report) and register the same with the Company by sending the same at the Registered Office or Head Office of the Company. Members can also intimate / update their e-mail address to the Company by sending an e-mail at investor@shivalikbimetals.com.



NOTICE TO THE MEMBERS

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Wednesday, the 26th day of September, 2012 at Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.), at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2012, Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gurmeet Singh Gill, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. C. Verma, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Place : Solan (H.P.)
Date : August 09, 2012

By order of the Board
For SHIVALIK BIMETAL CONTROLS LIMITED

Registered Office:
16-18, New Electronics Complex,
Chambaghat,
Distt. Solan

Sd/-
(N. S. GHUMMAN)
MANAGING DIRECTOR



NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. A proxy shall not have any right to speak at the meeting and shall not vote except on a poll.
2. The instrument appointing the proxy to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting.
3. Disclosures pursuant to Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment at forthcoming Annual General Meeting are given in Annexure.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 20.09.2012 to 26.09.2012 (both days inclusive) for the purpose of Annual General Meeting.
5. Members holding shares in physical form are advised to send all the requests regarding share transfer and correspondence in relation to share matters to the Company's Registrar and Share Transfer Agent (RTA) at the following address:

**M/s MAS Services Ltd.
T – 34, IInd Floor,
Okhla Industrial Area, Phase – II,
New Delhi-110020**

Members are also requested to intimate any change of their address to the Company's Head Office / Registered Office / RTA by quoting their Folio Number. Members must quote their Folio No. in all correspondence.

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. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
8. 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.
9. The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless Compliances by the Companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to provide / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants or send an e-mail at info@masserv.com or investor@shivalikbimetals.com to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to intimate their e-mail address to MAS Services Limited either by e-mail at info@masserv.com or investor@shivalikbimetals.com or by sending a communication at the Registered Office or Head Office of the Company or at the address mentioned below:

**M/s MAS Services Ltd.
T – 34, IInd Floor,
Okhla Industrial Area, Phase – II,
New Delhi-110020**



**DISCLOSURE PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT WITH REGARD TO THE
DIRECTORS SEEKING RE-APPOINTMENT AT
THE FORTHCOMING ANNUAL GENERAL MEETING
(REFER ITEM NOs. 2 & 3 OF NOTICE)**

Name of Director	Brief resume and nature of expertise in functional areas	List of Directorships / Committees memberships as on 31st March, 2012 in other Companies
Mr. Gurmeet Singh Gill	Mr. Gurmeet Singh Gill is qualified MBA having business experience in various Commercial Areas. He is on the Board of the Company since the year 1998.	1
Mr. S. C. Verma	Mr. S. C. Verma is a Fellow Member of ICAI. He possesses good Professional knowledge and rich experience in the field of Finance, Taxation and Corporate Laws. He is on the Board of the Company since 2000.	Nil



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 28th Annual Report and the Audited Accounts of the Company for the financial year ended 31st March, 2012.

SUMMARISED FINANCIAL RESULTS:

	YEAR 2011-12 (₹ in Lacs)	YEAR 2010-11 (₹ in Lacs)
Sales & Other income	8,454.36	9,506.68
Exceptional Income (Net of Expenses)	306.85	0.41
Total Sales & Exceptional Income	8,761.21	9,507.09
Operating Expenditure	7,796.97	8,135.99
PBDIT	964.24	1,371.10
Finance Charges	373.16	310.47
Depreciation	216.21	189.75
PBT	374.87	870.88
Provision for Taxes	111.43	227.70
PAT	263.45	643.18
Balance brought forward from Previous Year	2,436.78	2,027.65
Balance available for Appropriation	2,700.23	2,670.83
Appropriations:		
Interim Dividend	-	76.81
Proposed Final Dividend	-	38.40
Tax on Dividends	-	18.84
General Reserve	100.00	100.00
Balance carried to Balance Sheet	2600.23	2,436.78
Earning per Equity Share (Basic / Diluted) (₹ per Equity Share)	1.37	3.35

PERFORMANCE

There has been a decrease of 11.07 % in sales and other income during the FY 2011-12 as compared to FY 2010-11. Your Company has achieved sales and other income of ₹ 8,454.36 Lacs during the FY 2011-12 as compared to ₹ 9,506.68 Lacs during the FY 2010-11. The Company earned Profit before interest, depreciation and tax (PBDIT) of ₹ 964.24 Lacs during the year under review as compared to ₹ 1,371.10 Lacs during previous financial year. During the current financial year, Profit before tax (PBT) of your company is ₹ 374.87 Lacs as compared to ₹ 870.88 Lacs of the previous financial year.

The year 2011-12 was marked by growing global uncertainties. Global recovery has stalled, growth prospects have dimmed and downside risks have escalated. The growth of the Indian Economy has also slowed down and the GDP growth is 6.9 % in 2011-12 as compared to 8.4 % in 2010-11.

The reason for decrease in PBT, primarily has been the high volatility of the foreign exchange rates, besides inflationary pressures, increase in raw material consumption cost and increased cost of borrowings. Further, the Company has written off ₹ 148.85 Lacs towards the long outstanding dues from an overseas customer since the same is not realizable after putting all the efforts.

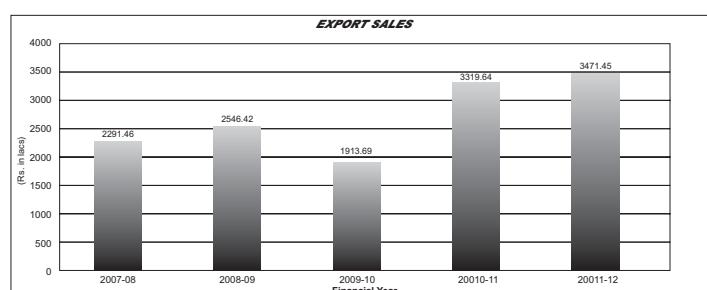
In the state of inflationary economy and to save additional interest costs, your directors have decided to deploy Company's

own funds in expansion programme, wherever possible. Accordingly, the Company has realized a sum of ₹ 515.19 Lacs from encashment of Keyman Insurance Policies, which stands reflected (net of exceptional expenses) under the head 'Exceptional Income' in the Statement Profit & Loss Account of the Company.

It is a matter of record that in view of depressed operating results of the company and on going expansion programme, Your Directors have foregone 70% of their entitlement, amount to ₹ 62.64 Lacs as Director remuneration and opted to avail only 30% of increased remuneration as approved the Central Government for the FY 2011-12.

EXPORTS

Your Directors are happy to report that the Company has achieved Export Turnover during the FY 2011-12 to the tune of ₹ 3471.45 Lacs as compared to ₹ 3,319.64 Lacs during the previous year, thus registering an increase in the exports by 4.57 %. The Company is certainly endeavoring to enhance its presence in the international market, once the Unit-IV is fully operational with its cold bonded technology with wider width material.



EXPANSION

As reported by your directors in the previous annual report, the Company was in the process of setting up a new Industrial Undertaking, 'UNIT-IV' for manufacturing of Cold bonded Clad strips of larger width and parts under the Cold Bonded process at Solan, Himachal Pradesh. The Directors are happy to inform about the commencement of Commercial production of UNIT IV at a rented premises, during the FY ended 31st March, 2012. The profits derived from this Unit shall be eligible for Tax Holiday for 10 years in accordance with relevant laws.

In the due course of time, Unit-IV shall be fully operational at its own factory (construction in respect of which is to begin shortly on the Land purchased by the Company on the Solan-Shimla Highway).

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 100.00 Lacs to the General Reserve out of the amount available for appropriations and an amount of ₹ 2600.23 Lacs is proposed to be retained in the Profit & Loss Account.

JOINT VENTURE & ASSOCIATES

JOINT VENTURE WITH CHECON CORPORATION, USA

As reported by your directors in the last reports, the Joint Venture Company named Checon Shivalik Contact Solutions Private Limited (CSCS) in which your company has 50% share has achieved Sales and other income of ₹ 952.24 Lacs during the financial year 2011-12 as compared to ₹ 1,163.41 Lacs during the financial year 2010-11.

The Company's major customer has stopped the purchase of its material because of change in product range of contacts, which resulted in decrease of sales.

During the year, CSCS has procured and successfully installed Bonding Mill for Silver Inlay manufacturing capabilities and successfully installed other related equipment required for Inlay manufacturing like Annealing Line, Slitting Line, Brushing facilities etc. Apart from this, CSCS has acquired wire drawing machine which has been successfully installed and made operational at plant. This facility has not only given CSCS advantage of holding required raw materials in common size but also to reduce the cost of incoming materials.

The Investment of your Company in CSCS as on 31.03.2012 stands at ₹ 118.95 Lacs (previous year ₹ 118.95 Lacs).



ASSOCIATES

INNOVATIVE CLAD SOLUTIONS PRIVATE LIMITED

As reported by your directors in the last reports, the Joint Venture Company named Innovative Clad Solutions Pvt. Ltd. (ICS) in which your Company had 33.33% share has a manufacturing unit at Pithampur, District Dhar in Madhya Pradesh, India for manufacturing Industrial Clad Products.

The Joint Venture Agreement dated 15th February, 2008 entered between the three JV Parties, namely APERAM, DNICK and SHIVALIK had been terminated in terms of the 'Termination Notice' issued on 4th October, 2011 by APERAM and SHIVALIK, after the hostile acquisition of DNICK by Dr. Platt / Wicked Westfalenstahl GmbH which is a competitor of ICS in the International market.

SHIVALIK had relinquished its right to acquire half of the Shareholding of DNICK in ICS and it was further agreed between APERAM and SHIVALIK that the shares of DNICK in the Share Capital of ICS would be taken over by APERAM.

Consequent to exit of a JV partner from Innovative Clad Solutions Pvt. Ltd. (ICS) (wherein there were three JV partners holding 1/3rd equity each) and modified terms between the remaining two JV partners, the Company's equity holding stands reduced to 26.78% from that of 1/3rd, as such the Company's interest in ICS stands modified to an 'Associate Company' from that of a 'JV Company' as per AS-27 as "Financial Reporting of interest in Joint Ventures" issued by ICAI.

ICS, the Associate Company has achieved Sales and other income of ₹ 474.97 Lacs during the financial year 2011-12 as compared to ₹ 136.01 Lacs during the financial year 2010-11. This being a Greenfield project, the process of stabilization of manufacturing operation took somewhat more time and now ICS is out of this phase and it has ample orders in hand and has a bright future.

The Investment of your Company in ICS as on 31.03.2012 stands at ₹ 1512.00 Lacs (previous year ₹ 1052.00 Lacs).

SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED

Shivalik Bimetal Engineers Private Limited (SBEPL), the Associate Company earned a profit of ₹ 0.18 Lacs during the year under review.

SBEPL, the Associate Company was initially engaged in the business of providing technical services relating to development of Tools, Dies and Design and other services has set up Dies and Tools manufacturing facilities during the year, in Solan, Himachal Pradesh.

PUBLIC DEPOSITS

During the year under review, your Company did not accept any public deposits from the public under section 58A of the Companies Act, 1956.

ORGANISATION AND COLLEAGUE

In the year under review, your company continued to lay emphasis on organization and colleague development and maintained healthy, cordial and harmonious industrial relations at all levels. Colleague relations remained healthy and satisfactory during the period. Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation and meritocracy. The enthusiasm and unstinting efforts of the employees have enabled your Company to remain at the forefront of the industry. Your Directors record their whole hearted appreciation for this hard work, efficiency, devotion of duty and sincere efforts and contributions made by all at respective levels of operations of your Company during the year.

DIRECTORS

In accordance with the requirements of Companies Act, 1956 and Article 142 of the Articles of Association of the Company, Mr. Gurmeet Singh Gill and Mr. S. C. Verma are to retire by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment.



CORPORATE GOVERNANCE

Your Company follows strong governance standards focusing on high level of fairness, transparency, accountability and responsibility in all aspects of its operations. Your Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by The Securities and Exchange Board of India (SEBI). Your Directors have implemented all the major stipulations prescribed and ensure its compliance in both spirit and law. Your Company is committed to contribute positively in all the activities pertaining to environmental protection and energy conservation while at the same time continuing to create and enhance shareholder's wealth and value by implementing its business plans at appropriate times.

As per the requirements under Clause 49 of the listing agreement with Bombay Stock Exchange Limited, the Report on Corporate Governance together with Auditors' Certificate regarding Compliance of the SEBI Code of Corporate Governance is annexed herewith.

The Annual Report also contains a separate section on 'Management Discussion and Analysis' which is a part of the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors hereby confirm that:

1. in the preparation of the annual accounts for the financial year 2011-12, the applicable accounting standards have been followed and there are no material departures;
2. appropriate accounting policies have been selected in consultation with the statutory auditors and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2012 and of the Profit of the Company for the year ended 31st March, 2012;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going-concern basis.

AUDITORS

M/s Malik S & Co., Chartered Accountants, New Delhi, who are Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment. The Company has obtained a certificate from the Auditors as required u/s 224 (1B) of the Companies Act, 1956, to the effect that their Appointment, if made, would be in conformity with the limits specified in that section.

PARTICULARS OF EMPLOYEES

There was no employee whose remuneration exceeds ₹ 5.00 lacs per month (₹ 60.00 Lacs per annum) during the financial year ended 31st March, 2012 as per section 217 2(A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as per the amendments made vide Notification G.S.R. 289(E) dated 31st March, 2011.

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

The information relating to conservation of energy, absorption of technology and earnings and outgo of foreign exchange required to be disclosed under the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, is given in the annexure forming part of the Report.

REQUEST TO THE MEMBERS:

Your Directors invite the attention of all Members to note that pursuant to changes in applicable laws and regulations, in order to receive and participate in all corporate actions of the company, you are requested to :-



- Inform the Company / our registrar / Depository Participants, if not already done earlier, for updating details of your Permanent Account Number (PAN). The Securities and Exchange Board of India (SEBI) has mandated the submission of 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 can submit their PAN details to the Company / Registrar.
- Transferee(s) to furnish copy of their PAN Card to the Company / RTA's for registration of transfer of shares, for securities market transactions and off- market / private transactions involving transfer of shares in physical form.
- Inform your Depository Participant to reactivate your account for credit actions. Frozen Demat accounts may lead to non-credit / delayed credit of securities allotted to your account.
- Update your address with Registrar / Depository Participants to ensure timely receipt of shareholder communication. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandate to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Share Transfer Agents, M/s MAS Services Limited.
- Investors are requested to kindly note that any dividend warrant which remains un-encashed for a period of seven years will be transferred to 'Investor Education and Protection Fund' in terms of section 205C of the Companies Act, 1956. Shareholders who have not en-cashed their dividend warrants may kindly contact the Company and lodge their warrants for revalidation. The schedule of transfer of unclaimed / unpaid dividend to the 'Investor Education and Protection Fund' is given in the Corporate Governance Report forming part of this Annual Report.
- The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless Compliances by the Companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to provide / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants or send an e-mail at info@masserv.com or investor@shivalikbimetal.com to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to intimate their e-mail address to MAS Services Limited either by e-mail at info@masserv.com or investor@shivalikbimetal.com or by sending a communication at the Company's Registered Office or Head Office or address mentioned below:

**M/s MAS Services Ltd.
T – 34, IInd Floor,
Okhla Industrial Area, Phase – II,
New Delhi-110020**

ACKNOWLEDGEMENTS

Your Directors sincerely express deep gratitude and acknowledgement to the Company's Bankers, i.e., Indian Bank, for their unstinted support and co-operation at various levels, from time to time.

The Board places on record its appreciation, for the continued co-operation and support it received from the Ministry of Corporate Affairs, Directorate of Industries and other Government Authorities from time to time.

Your Directors also extend their appreciation for the continuous support received from the shareholders, customers and suppliers.

The Directors wish to place on record their sincere appreciation of all the employees for their high degree of professionalism, commitment and dedication at all levels.

Your Directors look forward with confidence to a prospective future for your company.

For and on behalf of the Board of Directors

Place : Solan (H.P.)
Date : August 09, 2012

Sd/-
(S. S. SANDHU)
CHAIRMAN



ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION FORMING PART OF DIRECTORS' REPORT U/S 217 (1) (e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. Conservation of Energy

The Company has always been conscious of the need for conservation of energy and has been steadily making progress towards this end. Improvement in energy efficiency is a continuous process at the Company and conservation of energy is given a very high priority at plant and office of the Company. Energy Conservation continues to be an area of emphasis and is regularly monitored in every manufacturing unit of the Company.

Energy conservation measures taken:

Energy conservation during the financial year has accrued as a result of the following steps taken at the factory premises of the Company:

- a. All bulbs changed to CFL.
- b. Reducing load during peak load.
- c. Lowering the temperature of furnace when there is no load.

B. Technology Absorption

The Research & Development (R&D) facilities maintained by the Company are considerable. They embrace investigations into possible new products as well as refining of existing products and process.

The Company has always placed accent on research and development which, among others, could trigger off fresh opportunities for ever increasing frontiers of Company's growth. Effort is continually made to update technology, improving quality of the products and diversify its range to save the Company from the vice of decadence and stagnation and thereby ensuring its dynamism.

The Company has continued its endeavor to absorb best of the technologies for its products range to meet the requirements of globally competitive markets. The Company has also undertaken new innovation and research & development of new tools & dies and designs for efficient uses. The Efforts made on technology absorption are as under:-

RECOGNISED IN-HOUSE R&D UNIT

The recognition of Company's in-house R & D Unit in terms of Ministry's letter reference No. TU/IV/-RD-2256/2012, dated 14.06.2012 is valid up to 31.03.2015.

Research & Development is an integral part of our strategy for achieving growth and sustaining the business growth & profitability.

Research & Development (R&D)

- i) New products developed through innovative approaches and Specific area in which R&D carried out by the Company:
 - Anti Tank Shell Electron Beam welding for Ordinance
 - Edge rounding and deburring without removal of material
 - Colour Compeonsaler component for true flat Cathode Ray tube
 - Deep draw cups for Two wheelers
 - Car cigarette lighter components
 - SMD register material

ii) Benefits derived as a result of the above R&D :

With the continuous R&D activities at the plant, varied application have been developed which have been tested by the customers and are gradually finding acceptability in international market as well as domestic market.

iii) Future plan of action:

The company will continue to pursue new areas for its products and developing new products using the existing Technology and R & D facility.

iv) Expenditure on R&D :

- | | |
|--|--------------|
| a. Recurring | ₹ 13.72 Lacs |
| b. Capital | ₹ Nil Lacs |
| Total | ₹ 13.72 Lacs |
| c. Total R&D expenditure as a percentage of total turnover: 0.16 % | |

Technology absorption, adaptation and innovation

i) Efforts in brief made towards technology absorption, adaptation and innovation:

Company is able to use the available technology for the new product development / product diversification.

ii) Benefits derived as a result of the above R&D

Products developed have found acceptance in domestic and international Markets. Commercialization of these products has started.

iii) In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

- | | |
|---|----------|
| a) Technology imported | - NONE - |
| b) Year of Import | - N.A. - |
| c) Has technology been fully absorbed | - N.A. - |
| d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action. | - N.A. - |

C. Foreign Exchange Earning and Outgo:

Earnings in Foreign exchange	₹ 3,425.28 Lacs
Expenditure in Foreign currency	₹ 4389.73 Lacs
Expenditure in Foreign currency on Capex	₹ 968.63 Lacs



MANAGEMENT DISCUSSION AND ANALYSIS



ANNEXURE “A”

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion & Analysis Report covering performance and outlook is given below:

1. Industry structure and development

The year 2011-12 was marked by growing global uncertainties. Global recovery has stalled, growth prospects have dimmed and downside risks have escalated. The growth of the Indian Economy has also slowed down and slipped to three year low of 6.90 % during the financial year 2011-12, down from 8.40 % in the preceding two years.

The RBI has chided the government before in the past for living beyond its means and adding to inflationary pressures. The Indian economy is facing the tension between controlling inflation and maintaining economic growth. Government revenue inflows have not kept pace with its expenditure. High interest rates and increase cost of borrowing abounds. This is a vicious cycle that the government will find very hard to fix.

Though there have been a limited adverse impact of the slowdown on Indian economy, this year's performance has been disappointing. But it is also a fact that in any cross-country comparison, India still remains among the front-runners in economic growth. The Indian economy was at the cusp of a revival, as agriculture and services have continued to grow at a decent pace. It was industrial performance that was acting as a drag.

Growth in exports has assisted and buoyed the growth of some sectors like Transformers, Switchgear, Cables, Capacitors, Energy Meters, Transmission Line Towers and Conductors. However, imports are simultaneously increasing and establishing themselves firmly in domestic market thus affecting domestic players. The adverse domestic economic situation due to high inflation, high interest costs, credit squeeze etc. is having a significant adverse effect on the bottom line of the industry; apart from intense overseas competition in the domestic market which is impacting the top line negatively. The slowdown in the power sector and the escalating imports of electrical equipment is significantly impacting the commercial viability of the industry and can have severe long term consequences. Absence of a level playing field for the domestic industry to compete with imported electrical equipment, especially from China, is a clear and present threat. Urgent policy interventions are required by both the Central and the State Governments to rev up the growth of the electrical equipment industry.

2. Opportunities & Threats

In view of various macro economic factors like slower GDP, fluctuations in foreign currency and depressed Industry Production Growth Rates, the industry was passing through a challenging phase during 2011-12. On one hand there was the huge opportunity presented by the mandated 'Electricity for All by 2012', and yet, the challenge of meeting this inspiring goal within the balance time of this financial year was becoming a daunting task. While the electrical equipment industry was geared with production capacity, it seemed that procedural delays in releasing timely tenders and contracts, and runaway cost escalation due to price of commodity inputs were holding back electrification of the country. With China and Korea gaining a strong presence, the industry was looking to a huge challenge, in spite of the promising opportunities in front of it.

Your Company, having an enviable reputation for quality and consistency, is hopeful of sustaining its growth in sales during the current year. The Company is taking number of initiatives for the development of new products / applications. Your Company continues to make forays into new areas, utilizing latest technology and resources for adding new products into various product ranges. The Company's focus on achieving stable growth, strong execution, cash flow maximization, increasing productivity, keeping costs under control, implementing various cost reduction plans and world class quality controls continued and strengthened in FY 2012.



MANAGEMENT DISCUSSION AND ANALYSIS

3. Outlook

Outlook for all existing products of your Company has been very promising. Your company with its own in-house R & D facility is making all out efforts for the product diversification. Your company has been very successful in the development and commercialization of new products and is looking at the new avenues for its product applications and new product development using same technology.

The R & D facility of your Company has been continuously works for the new developments involving product diversification and area diversification.

The aim of the management is to improve quality, increase presence in domestic as well as international market, cost reductions and optimal utilization of available resources of the company.

4. Financial Performance

Equity Share Capital : The Equity Share Capital of the Company as on 31st March, 2012 stood at ₹ 384.03 Lacs. There was no fresh issue of capital during the year.

Debt Equity : The debt equity ratio of the Company as on 31st March, 2012 is 0.99 which is sound in the prevailing market conditions and is very good as compared to the peers in the industry.

Finance Cost : Finance Cost for the financial year 2011-12 is ₹ 373.16 Lacs as compared to ₹ 310.47 Lacs in the previous year, increase by 20.19%. The increase has resulted due to increase in rates and also larger utilization of funding facilities.

Turnover : The Company's turnover (Net of Excise) has decreased from ₹ 8,862.51 Lacs to ₹ 7,944.34 Lacs, there is a decrease of 10.36 % over the previous year.

Net Profit : Net profit available for appropriation for the year 2011-12 stood at ₹ 263.45 Lacs as compared to ₹ 643.18 Lacs in the previous year, decrease by 59 %.

Earnings Per Share (EPS) : The Company's Earnings Per Share (EPS) during the current year is ₹ 1.37 (₹ 3.35 in the previous year), as such there is a decrease of 59.10 % over the previous year.

5. Risks & Concerns

Risk is an expression of the uncertainty regarding events and the possible outcomes that could have a material impact on performance and profitability of the Company. The Company is exposed to external risks such as overall demand, growing competition, industry downturn, fluctuation in the market segment in which it operates, the relative higher exposure to Foreign Exchange fluctuations because of substantial imports and exports. To ensure our long-term corporate success, it is therefore essential that risks be effectively identified, analyzed and then mitigated by means of appropriate control measures. The factors are monitored very closely by the management and so far the Company has adequately guarded itself by taking proactive measures to minimise or eradicate the potential loss arising due to exposure to particular risks.

6. Internal Control System and their Adequacy

The Company ensures that all transactions adhere to the requisite procedures, policies and are in accordance with the statutory requirements. The Company has established a suitable Internal Control System which ensures proper utilization of resources and accurate reporting of financials, safeguarding the Company's assets and ensuring the compliance with various legal and regulatory provisions. All transactions are properly authorised, recorded and reported to the management. The Company follows all applicable Accounting Standards for proper maintenance of



MANAGEMENT DISCUSSION AND ANALYSIS

the books of accounts and reporting of financial statements. The Company has an Internal Audit department and has also appointed external auditors to review various areas of the operations of the Company. Regular internal audits and checks are carried out to provide assurance that the responsibilities at various levels are discharged effectively and that adequate systems are in existence. The reports of Internal Auditors are reviewed by the Management and also placed before the Audit Committee of the Directors. The Statutory Auditors also review the finding with management and Audit Committee.

The periodical internal audit also supplements the Company's internal control systems which are conducted by independent professionals.

The role, scope and functions of the internal audit are also reviewed by both Audit Committee of Directors and the Management.

7. Occupational Health & Safety

Occupational Health & Safety has been recognised as an integral 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.



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



ANNEXURE "B"

Corporate Governance is a systematic process by which companies are directed and controlled keeping in mind the long-term interest of the stakeholders. Good Corporate Governance is the foundation of corporate excellence and to focus on equitable treatment of all shareholders and reinforces that it is "your company" and it belongs to you, the shareholders. The Companies can be committed to good Corporate Governance by creating an environment based on entrepreneurship, professionalism and pursuit for excellence. Corporate Governance is based on two core principles. Firstly, the management must have executive freedom to drive the enterprise forward without undue restraints and secondly, the freedom of management should be exercised within a framework of effective accountability.

The above belief and core principles of Corporate Governance adopted by the Companies leads the company's governance philosophy, trusteeship, transparency, independence, fairness, accountability and social responsibility which in turn is the basis of public confidence in the corporate system.

1. A Brief Statement on Company's Philosophy on code of Corporate Governance

The Company follows strong governance standards focusing on high level of fairness, transparency, accountability and responsibility in all aspects of its operations. It continues to focus on good Corporate Governance, in line with emerging local and global standards. It understands and respects its fiduciary role in the corporate world and governs itself as per highest standards of ethical and responsible conduct of business which not only strengthens its bond of trust with the stakeholders but also creates value for the society at large.

The Company recognizes its responsibility towards its shareholders and therefore constantly endeavors to create and enhance shareholder's wealth and value by implementing its business plans at appropriate times and thus taking maximum advantage of available opportunities to benefit the Company, its shareholders and the society at large. It is committed to uphold highest principles of corporate governance consistent with the Company's goal. It believes in monitoring its performance regularly and with utmost transparency to ensure ethical governance at all levels within the organization.

It is the consistent conviction of the company that sound and strong corporate governance standards lead to durable sustenance of business and generate long term value for all stakeholders ensuring the robust health of the corporate entity. In pursuance of this, the company has been passionately pursuing good corporate governance practices based on professional excellence, business ethics, and transparency which operate within the accepted norms of propriety, equity, fair play and a sense of justice. While the company's compliance of legislative and regulatory requirements is total and absolute, the company believes that good corporate governance goes much beyond the mere fulfilling of statutory requirements, but is also a projection towards the sound formulation of a distinct corporate culture. The Company further presumes that corporate governance is more about creating organizational excellence leading to increased customer satisfaction and stakeholder value.

Feedback from customers, suppliers and other associated persons are reviewed and remedial actions taken and reported in time.

2. Board of Directors

The Board of Directors of the Company has an optimum combination of executive and non-executive directors and is in conformity with clause 49 of the Listing Agreement. The board members possess requisite skills, experience and expertise required to take decisions, which are in the best interest of the Company. The total strength of the Board as on 31st March, 2012, was Nine Directors as detailed herein below:



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



S. No.	Name	Designation	Category (Whole time/ Non-Executive/ Independent)
1.	Mr. S. S. Sandhu	Chairman	Whole time
2.	Mr. N. S. Ghumman	Managing Director	Whole time
3.	Mr. D. J. S. Sandhu	Dy. Managing Director	Whole time
4.	Mr. S. C. Verma	Director	Independent
5.	Mr. G. S. Gill	Director	Independent
6.	Mr. Anil K. Sud	Director	Independent
7.	Mr. Rohit Kapur	Director	Independent
8.	Mr. Nirmaljeet Singh Gill	Director	Independent
9.	Mr. G. C. Prabhu	Director	Independent

Out of the above nine Directors, three are whole time directors comprising of Chairman, Managing Director, Deputy Managing Director and six are independent directors.

3. Board Meetings, its Committee Meetings and Procedures

3.1 Board Meetings

During the financial year 2011-2012, six Board Meetings were held on 2nd April, 2011, 12th May, 2011, 4th August, 2011, 19th August, 2011, 5th November, 2011 and 3rd February, 2012.

3.2 Attendance of each Director at the Board Meetings and the Last Annual General Meeting

Name of Director	No. of Board Meetings attended out of 6 Meetings held during the year 2011-2012	Last AGM held on 28th September, 2011 (Attended – Yes / No)
Whole time Directors		
Mr. S. S. Sandhu	6	Y
Mr. N. S. Ghumman	6	Y
Mr. D. J. S. Sandhu	5	N
Independent / Non-Executive Directors		
Mr. S. C. Verma	5	N
Mr. G. S. Gill	NIL	N
Mr. Anil K. Sud	NIL	N
Mr. Rohit Kapur	NIL	Y
Mr. Nirmaljeet Singh Gill	1	N
Mr. G. C. Prabhu	2	N

4. Number of Directorship on the Board of Other Companies as on 31.03.2012

The details of Directorship of other companies excluding Private Limited Companies, foreign companies and section 25 companies, Chairmanship and Committee Memberships held by the Directors as on 31st March, 2012, are given below:



REPORT ON CORPORATE GOVERNANCE

(FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



Name of Director	No. of other Public Limited Companies in which Directorship/Chairmanship is held	
	Directorship	Chairmanship
Mr. S. S. Sandhu	2	Nil
Mr. N. S. Ghumman	Nil	Nil
Mr. D. J. S. Sandhu	1	Nil
Mr. S. C. Verma	Nil	Nil
Mr. G. S. Gill	Nil	Nil
Mr. Anil K. Sud	Nil	Nil
Mr. Rohit Kapur	Nil	Nil
Mr. Nirmaljeet Singh Gill	Nil	Nil
Mr. G. C. Prabhu	Nil	Nil

5. Details of Remuneration paid to Directors

5.1 Remuneration paid to Whole-time Directors during the year ended 31.03.2012

(in Rupees)

Sr. No.	Name	Designation	Salaries & Allowances	Contribution to PF	Other Benefits	Total*
1.	Mr. S. S. Sandhu	Chairman	49,08,600/-	4,95,720/-	3,453/-	54,07,773/-
2.	Mr. N. S. Ghumman	Mg. Dir.	45,93,600/-	4,57,920/-	18,801/-	50,70,321/-
3.	Mr. D. J. S. Sandhu	Dy. Mg. Dir.	38,28,000/-	3,81,600/-	28,839/-	42,38,439/-

*The payment of remuneration is in accordance with the Approval of the Central Government under Section 310 of the Companies Act, 1956, given to Mr. S. S. Sandhu vide its letter ref. no. B24043804/1/2011-CL.VII dated 1st May, 2012, Mr. N. S. Ghumman vide its letter ref. no. B24038796/1/2011-CL.VII dated 1st May, 2012 and Mr. D. J. S. Sandhu vide its letter ref. no. B24042707/1/2011-CL.VII dated 1st May, 2012.

5.2 Remuneration/ Professional Fee paid to Non-Executive / Independent Directors during the year ended 31.03.2012

(in Rupees)

S. No.	Name	Designation	Fee for Professional Management Services
1.	Mr. G. C. Prabhu	Director	8,75,000/-

5.3 Sitting fee paid to Non-Executive / Independent Directors during the year ended 31.03.2012

(in Rupees)

S. No.	Name	Designation	Sitting Fees
1.	Mr. S. C. Verma	Director	10,000/-
2.	Mr. Anil K. Sud	Director	NIL
3.	Mr. Rohit Kapur	Director	NIL
4.	Mr. G. S. Gill	Director	NIL
5.	Mr. Nirmaljeet Singh Gill	Director	2,000/-
6.	Mr. G. C. Prabhu	Director	4,000/-



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



6. Board Committees

A. Standing Committees

The Company has the following standing committees of the Board:

(i) Audit Committee

Composition, Name of Chairman and Members

In terms of Clause 49 of Listing Agreement read with Section 292A of the Companies Act, 1956, an Audit Committee has been constituted, comprising 3 independent non-executive directors viz., Mr. S. C. Verma (having financial and accounting knowledge), Mr. Anil K. Sud and Mr. Nirmaljeet Singh Gill. The quorum of the Committee is two members. The Company Secretary is the Secretary of the Audit Committee.

Objective :

The Audit Committee assist the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practice of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financials statements, the appointment, independence, performance and the remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

Meetings and Attendance during the year :

The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one-third of the members of the audit committee whichever is greater, but there should be minimum of two independent members present.

During the year under review, the Audit committee members of your company met at 5 meetings held on 11th May, 2011, 3rd August, 2011, 18th August, 2011, 4th November, 2011 and 2nd February, 2012.

Name	Number of meetings held during the year	Number of Meetings attended during the year
Mr. S. C. Verma	5	5
Mr. Anil K Sud	5	5
Mr. Nirmaljeet Singh Gill	5	5

The Finance Head and Internal Auditors were present in the Audit Committee Meeting as stipulated in terms of the Listing Agreement. The Company Secretary of the Company acts as the Secretary of the Committee.

Terms of Reference of Audit Committee as contained in clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956 as follows:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.



REPORT ON CORPORATE GOVERNANCE

(FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



Further the terms of reference stipulated by the Board to the Audit Committee are as contained under Clause 49 II D of the listing agreement, as follows:

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointments, reappointment and, if required, replacement or removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- c) Reviewing with management of the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management
 - Qualifications in audit report
 - Significant adjustment arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with Stock Exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the company of material nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.
- d) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function including the structure of internal audit department, staffing and seniority of the officials heading the department, reporting structure coverage and frequency of internal audit.
- f) Discussion with internal auditors any significant findings and follow up thereon.
- g) 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.
- h) Discussions with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i) Reviewing the Company's financial and risk management policies.
- j) To look into the reason for substantial defaults in the payment to the lenders, depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

(ii) Remuneration Committee

Composition, Name of Chairman and Members

In terms of provisions of Listing Agreement, the Board of Directors of the Company has constituted a Remuneration Committee, comprising of 3 independent non-executive directors viz. Mr. S. C. Verma, Mr. Anil K. Sud and Mr. Nirmaljeet Singh Gill. The quorum of the Committee is 2 members.



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



Committee Members

S.No.	Name	Designation	Position in Committee
1.	Mr. S. C. Verma	Director	Chairman
2.	Mr. Anil K. Sud	Director	Member
3.	Mr. Nirmaljeet Singh Gill	Director	Member

The Remuneration Committee has powers to act in accordance with the provisions of the Articles of Association of the Company read with the provisions of Schedule XIII to the Companies Act, 1956.

The Remuneration Committee has been constituted to recommend / review the remuneration packages of Chairman and Whole-time Director, Managing Director and Deputy Managing Director, other Non-executive Directors and their relatives engaged in the employment of the Company, based on performance and defined assessment criteria. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industrial practice.

Decision & Voting Powers

All the decision of the committee are taken by vote of majority. Members of the committee are entitled to vote, in case of equality, the Chairman has one additional casting vote.

Tenure of the Committee

The Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry on the functions of the Committee in relations of the determination of the remuneration payable to the executive and other non executive directors, recommendation for appointment / re-appointment including revision / enhancement in the remuneration of the existing Chairman and Whole-time Director, Managing Director and Deputy Managing Director of the company from time to time.

Meetings and Attendance during the year

The Committee shall meet on the reference made by the Board to the Committee for proposal for appointment, re-appointment, determination of the fixation of the remuneration, revision / enhancement in the remuneration payable to the managing director/ whole-time director/ Deputy Managing Director of the Company from time to time. The committee on any matter relating to the reference made to it shall submit a report along with the resolution passed by it to the Board from time to time.

The Chairman of the Remuneration Committee shall attend the Annual General Meeting of the Company to provide any clarification on matter relating to the remuneration payable to the Chairman and Whole-time Director, Managing Director and Deputy Managing Director of the Company.

During the year 2011-12, one meeting of Remuneration Committee was held. The Committee Meeting was held on 2nd May, 2011 to approve the increase in the remuneration of Mr. S. S. Sandhu, Chairman and Whole-time Director, Mr. N. S. Ghumman, Managing Director and Mr. D. J. S. Sandhu, Deputy Managing Director of the Company.

(iii) Share Transfer Committee and Shareholders / Investors Grievance Committee

The Company has a Share Transfer Committee comprising of Mr. S. S. Sandhu (who chairs the Committee) and Mr. N. S. Ghumman. The Committee looks into the transfer and transmission of shares, transposition of names and issue of duplicate share certificates.



REPORT ON CORPORATE GOVERNANCE

(FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



The Shareholders' / Investors' Grievance Committee, presently comprises 3 members viz, Mr. Nirmaljeet Singh Gill as Chairman, Mr. N. S. Ghumman and Mr. D. J. S. Sandhu in order to meet the requirements of Clause 49 of the Listing Agreement.

The Committee looks into redressal of shareholders' complaints like non-receipt of balance sheet, non-receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of transfer services.

The Board has designated Mr. Ram Pravesh, Company Secretary as Compliance Officer, effective from 2nd August, 2012. (Ms. Pooja Hiranandani, Company Secretary upto 1st August, 2012).

Meetings and Attendance during the year

During the financial year under consideration, the Share Transfer Committee held 4 meetings on 15.04.2011, 26.09.2011, 17.10.2011 and 25.10.2011. All the members were present in the meeting.

Details of queries / complaints received from Shareholders / Investors during the year 2011-12

The details of shareholders grievance are as follows:

No. of Complaints received during the year	2 (two)
No. of Complaints resolved during the year	2 (two)
Pending Complaints at the end of the Financial Year	Nil

(iv) Selection Committee

Composition, Name of Chairman and Members

In terms of the provisions of Section 314 of Companies Act 1956, read with Director's Relative (Office or Place of Profit) Rules, 2003, the Board of Directors of the Company has constituted a Selection Committee, comprising of 3 independent non-executive directors viz. Mr. S. C. Verma, Mr. Anil K. Sud and Mr. Nirmaljeet Singh Gill and Mr. N. P. Sahni, an expert in the respective field from outside the Company.

Committee Members

S.No.	Name	Designation	Position in Committee
1.	Mr. N. P. Sahni	Outside Expert	Chairman
2.	Mr. S. C. Verma	Director	Member
3.	Mr. N. J. S. Gill	Director	Member
4.	Mr. Anil K. Sud	Director	Member
5.	Ms. Pooja Hiranandani	Company Secretary	Secretary (upto 1 st August, 2012)
6.	Mr. Ram Pravesh	Company Secretary	Secretary (w.e.f. 2 nd August, 2012)

The Selection Committee shall have powers to act in accordance with the provisions of the Articles of Association of the Company read with the provisions of Section 314 of Companies Act 1956 and Director's Relative (Office or Place of Profit) Rules, 2003.

The Selection Committee shall deal with the matters relating to the selection and appointment of a relative of a director for holding office or place of profit in the Company by adopting the same procedure applicable to non-relatives, determination of the remuneration and other benefits payable to them and revisions to the same and making periodic recommendations to the Board on their performance.

Decision & Voting Powers

All the decision of the Committee shall be taken by vote of majority. Members of the Committee shall be entitled to vote, in case of equality, the Chairman shall have one additional casting vote.

Tenure of the Committee

The Committee shall continue to be in function as a Committee of the Board until otherwise resolved by the Board, to carry on the functions of the Committee in relations of the selecting and appointing employees, who are relatives of the Directors, determination of the remuneration and other benefits payable to them and revisions to the same and making periodic recommendations to the Board on their performance.

Meetings and Attendance during the year

The Committee shall meet on the reference made by the Board to the Committee for proposal for appointment, determination of the fixation of the remuneration and other benefits, revision in the remuneration payable to the relatives of the directors of the Company from time to time. The committee on any matter relating to the reference made to it shall submit a report along with the resolution passed by it to the Board from time to time.

During the year under review, there was no meeting of Selection Committee.

7. General Meetings

7.1 Annual General Meetings (AGM)

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

Year	2008-09	2009-10	2010-11
Date	30th September, 2009	24th September, 2010	28th September, 2011
Time	10.00 A.M.	10.00 A.M.	10.00 A.M.
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.)	Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)

7.2 Extra-Ordinary General Meeting (EGM)

During the year, one Extra-ordinary General Meeting was held on 29th April, 2011.

8. Disclosures

- Details of transactions with related parties has been reported separately in Note No. 38 of Notes on Financial Statement attached with the financial statement for the year ended 31st March, 2012, in accordance with the requirements of Accounting Standard 18 – 'Related Party Disclosures'.
- 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.
- The Company had not made any transactions or pecuniary relationships with the non-executive directors and / or their relatives, promoters, management during the year under review that may have potential conflict with the interests of the company.



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



9. Means of Communications

The company's quarterly, half yearly and annual results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement, to enable them to put them on their respective websites and are also available on SEBI website at the address <http://www.corpfiling.co.in>. The company also has its website www.shivalikbimetals.com. The financial results are generally published in Financial Express (English) & Jansatta (Hindi) News Papers in terms of Listing Agreement. The Company also have exclusive e-mail ID i.e. investor@shivalikbimetals.com for investor's to contact the company in case of any information and grievances.

10. MD/CFO Certification

Managing Director and Chief Financial Officer (CFO)-Corporate Certification, on financial statements is issued pursuant to the provisions of Clause 49 of the Listing Agreement and is annexed to the Corporate Governance report and forms part of the Annual Report.

11. General Shareholders Information

11.1 Annual General Meeting (AGM)

Date & Time	26.09.2012 at 10.00 a.m.
Venue	Regd. Office: Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)

11.2 Financial calendar

First quarter	: Latest by mid of August, 2012
Second / half yearly	: Latest by mid of November, 2012
Third quarter	: Latest by mid of February, 2013
Fourth quarter	: Latest by end of May, 2013
Annual General Meeting	: Latest by end of September, 2013

11.3 Date of Book Closure : 20.09.2012 to 26.09.2012 (Both days inclusive)

11.4 Listing on Stock Exchange : Bombay Stock Exchange Limited, Mumbai (BSE)

11.5 (i) Stock Code : at BSE 513097

(ii) Demat ISIN No. in NSDL and CDSL for equity shares : ISIN No.: INE 386D01027

11.6 Market Price Data: High and Low during each month in last financial year

Share Price Movement at BSE					
₹ Per Share			₹ Per Share		
Month	High	Low	Month	High	Low
April, 2011	24.00	19.25	Oct., 2011	14.99	12.35
May, 2011	22.00	18.10	Nov., 2011	14.84	11.20
June, 2011	20.45	16.05	Dec., 2011	14.42	9.65
July, 2011	18.45	16.30	Jan., 2012	12.19	9.00
Aug., 2011	17.85	14.00	Feb., 2012	14.90	11.00
Sep., 2011	15.94	12.67	Mar., 2012	13.25	10.00



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



11.7 Share Transfer System

The Company's shares are under demat form. The ISIN Number of the Company is INE 386D01027. Accordingly, the company had established connectivity with the depositories, viz. National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and presently the shares of the company are held both in demat and physical form.

Entire share transfer activities under physical segment are being carried out by Mas Services Limited. The share transfer system consist of activities like receipt of share along with transfer deed from transferees, its verification, preparation of Memorandum of transfers etc. Shareholders are requested to send their transfer registry in demat / physical form and any correspondence in relation thereto to the Company's Registrar and Share Transfer Agent (RTA) duly marked **UNIT: SHIVALIK BIMETAL CONTROLS LIMITED** at the following address:-

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

Pursuant to clause 47-C of the Listing Agreement with Stock Exchanges, certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchange within stipulated time.

11.8 Dematerialisation of shares

Over 94.71% of the Company's paid-up equity share capital has been dematerialised upto 31st March 2012. Trading in equity shares of the Company is permitted only in dematerialised form as per notification issued by the Securities and Exchange Board of India (SEBI).

A qualified Practicing Company Secretary carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued / paid-up capital was in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The 'Share Capital Audit Report' for reconciliation of the share capital of the Company obtained from Practicing Company Secretary has been submitted to Stock Exchange within stipulated time.



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



11.9 Shareholding Pattern as on 31st March, 2012

Category	No. of Shares held	% of total shareholding
Foreign Promoters	-	-
Banks	1,000	0.01 %
Financial Institutions	-	-
Mutual Funds	-	-
Domestic Companies	81,72,352	42.56 %
Non-Domestic Companies	-	-
Non-Resident Indians	124,581	0.65 %
Foreign Institutional Investors	5,000	0.03 %
Directors / Relatives of Directors	39,48,000	20.56 %
Individuals / Others	69,50,467	36.19 %
Total	1,92,01,400	100.00 %

11.10 Outstanding GDR / Warrants and convertible instruments

There are no issue of any GDR / Warrants and other outstanding instruments which are convertible into equity shares of the Company.

11.11 Major Plant / Unit Location(s)

Plant 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

11.12 Address for correspondence

Investor correspondence: For transfers / dematerialisation of shares, payment of dividend of shares, and any other query relating to the shares of the Company.

- For shares held in physical form
M/s MAS Services Ltd.
T – 34, IInd Floor,
Okhla Industrial Area, Phase – II,
New Delhi-110020,
- For shares held in Demat form
To the Depository Participant concerned



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2011-12)



11.13 Electronic Clearing Service (ECS)

The Company avails of ECS facility for distribution of dividend in metropolitan cities in respect of those Shareholders who have opted for payment of Dividend through ECS.

11.14 Action required regarding Unclaimed Dividends

Pursuant to Section 205A and 205C of the Act, all unclaimed/unpaid dividend for the years prior to and including a sum of ₹ 91,956/- for the financial year 2003-04 and ₹ 93,690/- for the financial year 2004-05 have been transferred to the Investor Education and Protection Fund established by the Central Government (IEPF), as applicable.

The Dividend for the undernoted years, if unclaimed for 7 years, will be transferred by the Company to IEPF in accordance with the schedule given below. Attention is drawn that the unclaimed dividend for the financial year 2004-05 (Final) and 2005-06 (Interim) will be due for transfer to IEPF later this year. Communication has been sent by the Company to the concerned Shareholders advising them to lodge their claims with respect to unclaimed dividend.

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*
2004-05 (Final)	September 30, 2005	November 05, 2012
2005-06 (Interim)	February 04, 2006	March 12, 2013
2005-06 (Final)	September 05, 2006	October 11, 2013
2006-07 (Ist Interim)	January 30, 2007	March 07, 2014
2006-07 (IInd Interim)	April 21, 2007	May 27, 2014
2006-07 (Final)	August 20, 2007	September 25, 2014
2007-08 (Ist Interim)	January 30, 2008	March 6, 2015
2007-08 (IInd Interim)	June 6, 2008	July 11, 2015
2007-08 (Final)	September 30, 2008	November 5, 2015
2008-09 (Interim)	April 28, 2009	June 2, 2016
2008-09 (Final)	September 30, 2009	November 5, 2016
2009-10 (Interim)	May 5, 2010	June 10, 2017
2009-10 (Final)	September 24, 2010	October 30, 2017
2010-11 (Ist Interim)	January 31, 2011	March 7, 2018
2010-11 (IInd Interim)	May 12, 2011	June 17, 2018
2010-11 (Final)	September 28, 2011	November 3, 2018

*Indicative dates and actual dates may vary.

11.15 Nomination facility of interest to shareholders holding shares in physical form

Shareholders, who hold shares in single name and wish to make/change the nomination in respect of their shares as permitted under Section 109A of the Act, may submit to the Registrar and Transfer Agents, the prescribed Form 2B.



CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CORPORATE)



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 31.03.2012 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.

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.
- c) 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.
- d) 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/-
(K. S. Negi)
CFO-Corporate

Place : Solan (H.P)
Date : August, 09, 2012



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE



To

The Shareholders of

SHIVALIK BIMETAL CONTROLS LTD.

We have examined the compliance of conditions of Corporate Governance by **SHIVALIK BIMETAL CONTROLS LTD.** for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with The Stock Exchange, Mumbai (BSE).

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as contained in the aforesaid Clause 49 to the extent applicable, and in the manner as stated in the report on Corporate Governance.

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

Place : New Delhi

Date : May 28, 2012

For **MALIK S & CO.**
Chartered Accountants
Firm Registration No:- 00383N

Sd/-
SURESH MALIK
Proprietor
M.No. 080493



AUDITORS' REPORT



To

The Members of

SHIVALIK BIMETAL CONTROLS LIMITED

1. We have audited the attached Balance Sheet of **Shivalik Bimetal Controls Limited** as at 31st March, 2012, the Profit and Loss Account and also the Cash flow statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. in our opinion, the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of The Companies Act, 1956;
 - v. on the basis of the written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of The Companies Act, 1956;
 - vi. in our opinion and to the best of our information and according to the explanations given to us, the said account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) in the case of Cash flow statement, of the Cash flows for the year ended on that date.

For **MALIK S & CO.**
Chartered Accountants
Firm Registration No:- 00383N

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

Place : New Delhi
Date : May 28, 2012



Annexure to Auditors' Report

(Referred to in paragraph 3 of our report of even date on the Statements of Account of Shivalik Bimetal Controls Limited, as at and for the year ended 31st March 2012)

- (i) a. The Company is maintaining 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. There was no substantial disposal of fixed assets during the year.
- (ii) a. The management has conducted physical verification of inventory at reasonable intervals during the year except inventory comprising of work-in progress. According to the information and explanations given to us, and also keeping in view the nature of the operations of the company, the inventory of work-in-progress can not be verified periodically.
- 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) As informed, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regards to the purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- (v) a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act 1956, have been entered in the register maintained under that section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the period have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from public during the year under the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act 1956.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act 1956 for the products of the Company.
- (ix) 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, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it, with the appropriate authorities.
- b. According to the information and explanations given to us, there were no undisputed amounts payable in



Annexure to Auditors' Report

(Referred to in paragraph 3 of our report of even date on the Statements of Account of Shivalik Bimetal Controls Limited, as at and for the year ended 31st March 2012)

respect of Income tax, wealth tax, sales tax, service tax, customs duty and excise duty which have remained outstanding as at 31st March 2012 for a period of more than six months from the date they became payable, except for a sum of ₹ 2518 thousands payable on account of Service Tax, which has since been deposited on 26th May 2012.

- c. According to the information and explanation given to us, there are no dues outstanding of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess on account of any dispute.
- (x) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xi) 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.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and the advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit Fund or Nidhi/ mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) The company has furnished Corporate Guarantee to the tune of ₹ 5.58 Crores for loans taken by the Joint Venture Company (in which company holds 50% of issued share capital) and Associate Company (in which the company holds 45% of issued share capital) from bank. The terms and conditions whereof are not prima-facia prejudicial to the interest of the company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment by the company.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in register maintained under Section 301 of the Companies Act, 1956.
- (xix) Since the debentures have not been issued during the year, question of creating securities does not arise.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year ended 31st March 2012.

For **MALIK S & CO.**
Chartered Accountants
Firm Registration No:- 00383N

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

Place : New Delhi
Date : May 28, 2012



SHIVALIK BIMETAL CONTROLS LIMITED

Balance Sheet as at 31st March, 2012



		(₹ in '000)	
	Note No.	As at 31 st March 2012	As at 31 st March 2011
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	38,403	38,403
(b) Reserves and surplus	4	476,443	450,098
Non-current liabilities			
(a) Long-term borrowings	5	115,451	25,407
(b) Deferred tax liabilities (Net)	6	15,789	22,698
(c) Other Long term liabilities	7	4,207	3,332
(d) Long-term provisions	8	1,882	2,116
Current liabilities			
(a) Short-term borrowings	9	332,372	251,184
(b) Trade payables	10	59,306	138,341
(c) Other current liabilities	11	95,658	47,614
(d) Short-term provisions	12	46,198	48,156
TOTAL		<u>1,185,709</u>	<u>1,027,349</u>
II. ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	212,657	198,042
(ii) Intangible assets	13	1,159	50
(iii) Capital work-in-progress	13	134,936	929
(b) Non-current investments	14	165,523	119,523
(c) Long-term loans and advances	15	11,965	28,371
(d) Other non-current assets	16	79,998	59,337
Current assets			
(a) Current Investments	17	2,930	1,984
(b) Inventories	18	319,522	282,465
(c) Trade receivables	19	160,222	227,340
(d) Cash and cash equivalents	20	7,888	16,724
(e) Short-term loans and advances	21	87,064	90,331
(f) Other current assets	22	1,845	2,253
TOTAL		<u>1,185,709</u>	<u>1,027,349</u>
III. Notes forming part of the Financial Statements 1 to 40			

As per our report of even date
For **MALIK S & CO.**
Chartered Accountants

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor

Sd/-
(K.S.NEGI)
CFO-Corporate

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Sd/-
(N.S. GHUMMAN)
Managing Director

Sd/-
(S.S. SANDHU)
Chairman

Place : New Delhi
Dated : May 28, 2012



SHIVALIK BIMETAL CONTROLS LIMITED

Statement of Profit & Loss Account for the year ended 31st March, 2012



(₹ in '000, except per share data)

	Note No.	Year ended March 2012	Year ended March 2011
I. Revenue from operations	23	794,708	887,942
II. Other income	24	4,596	6,509
III. Total Revenue (I + II)		799,304	894,451
IV. Expenses			
(a) Cost of materials consumed	25	473,054	525,536
(b) Decrease/(Increase) in Stock	26	13,386	(12,557)
(c) Employee benefits expense	27	74,406	60,500
(d) Finance costs	28	37,316	31,047
(e) Manufacturing and other expense	29	172,719	183,903
(f) Depreciation expense	13	21,621	18,975
Total expenses		792,502	807,404
V. Profit before exceptional and extraordinary items and tax (III-IV)		6,802	87,047
VI. Exceptional items (Income)/Expenses	30	(30,685)	(41)
VII. Profit before extraordinary items and tax (V - VI)		37,487	87,088
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		37,487	87,088
X. Tax expense			
(a) Current tax		17,200	20,500
(b) Current tax related to previous years		851	5
(b) Deferred tax		(6,909)	2,265
		11,142	22,770
XI. Profit (Loss) for the year (IX-X)		26,345	64,318
XII. Earnings per equity share			
(a) Basic	31	1.37	3.35
(b) Diluted	31	1.37	3.35
XIII. Notes forming part of the Financial Statements	1 to 40		

As per our report of even date
For **MALIK S & CO.**
Chartered Accountants

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor

Sd/-
(K.S.NEGI)
CFO-Corporate

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Sd/-
(N.S. GHUMMAN)
Managing Director

Sd/-
(S.S. SANDHU)
Chairman

Place : New Delhi
Dated : May 28, 2012



SHIVALIK BIMETAL CONTROLS LIMITED

Cash Flow Statement for the year ended on 31st March, 2012



	(₹ in '000)	
	Year ended March 2012	Year ended March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	37,487	87,088
Adjustments for:		
Depreciation	21,621	18,975
Interest Paid	31,916	30,885
Interest Received	(246)	(73)
Amount Written Back	-	(5)
Debtors/ Unrecoverable Amount Written Off	14,887	111
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss	(16)	(13)
(Profit)/Loss on sale of Fixed Asset	5,531	164
Operating Profit before Working Capital changes	111,180	137,132
Adjustment for :		
Trade and other receivables	14,317	(16,772)
Inventories	(14,030)	(110,463)
Trade Payables	(62,089)	(8,062)
Loans and Advances	2,992	54,473
Cash generated from operations	52,370	56,308
Direct taxes paid	(14,130)	(17,740)
Cash flow from Ordinary items	38,240	38,568
Net Cash flow from operating Activities	38,240	38,568
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(56,759)	(41,873)
Sale of Fixed Assets	13,883	2,068
Capital Work In Progress	(126,614)	1,623
Capital Advance	5,681	(11,757)
Interest Received	246	73
Long Term Investment	(46,000)	(24,177)
Other Investment	(946)	(401)
Net cash (used) in / from investing activities	(210,509)	(74,444)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Bank Borrowings	157,675	66,143
Term Loan	-	-
Vehicle Loan	(2,502)	10,729
Term Loan Paid	33,012	(6,403)
Unsecured Loan	16,446	12,872
Interest Paid	(31,916)	(30,885)
Dividend including Dividend Tax paid	(9,004)	(14,477)
Net Cash (used) in from financing activities	163,711	37,979
NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS	(8,558)	2,103
Cash and Cash equivalents as on 1 st April, 2011 (Opening Balance)	15,830	13,714
Exchange Difference on translation of foreign currency cash & cash equivalent	16	13
Cash and Cash equivalents as on 31 st March, 2012 (Closing Balance)	7,288	15,830
Cash and Cash equivalents as on 31 st March, 2012 as per book	7,288	15,830

As per our report of even date

For **MALIK S & CO.**

Chartered Accountants

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor

Sd/-
(K.S.NEGI)
CFO-Corporate

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Sd/-
(N.S. GHUMMAN)
Managing Director

Sd/-
(S.S. SANDHU)
Chairman

Place : New Delhi

Dated : May 28, 2012



SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2012)



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 in Distt. 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 and other clad materials, EB welded products, Cold Bonded Clad 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 35 Countries around the world.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 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.

2.3 Inventories

Inventories are valued at the lower of cost and net realizable value, after providing for obsolescence, wherever considered necessary as under:

- Raw materials, stores and spares: At cost, on "FIFO" basis;
- Work-in-progress /Semi-Finished: At cost plus related cost of conversion including appropriate overheads;
- Finished goods: At cost plus related cost of conversion including appropriate overheads and excise duty paid/ payable on such goods; and
- Saleable Scrap is valued at estimated realizable value

2.4 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.

2.5 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.



SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2012)



2.6 Depreciation

Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule-XIV of the Companies Act, 1956 except for following :

- a. Dies & Tools included under the head “Plant & Machinery” after being put to use, are depreciated over its estimated life of two years.
- b. Assets costing less than Rs. 5,000/- each are fully depreciated in the year of acquisition.

2.7 Research & Development Expenditure

Expenditure in the nature of revenue, incurred for Research & Development relating to business, is charged to profit & loss account.

2.8 Revenue Recognition

- a. Sales are recognized, net of returns and trade discount, on transfer of significant risks and rewards of ownership to the buyer, that coincides with the reliability and reasonableness to expect ultimate collection, which is generally on dispatch of goods. Sales include excise duty but excludes sales tax and value added tax.
- b. For other incomes, the Company follows the accrual basis of accounting except interest on delayed payment from customers where there is no reasonable certainty regarding the amount and / or its Collectability.

2.9 Export Benefits

- a. Imports entitlements/Export obligations under Advance Licenses are accounted for at the time of purchase of Raw Materials/ Export sales.
- b. Other export incentives are accounted for as and when the claims thereof have been admitted by the authorities.

2.10 Fixed Assets, Intangible Assets and Capital Work-in-Progress

- a. Tangible Assets are stated at cost (Net of CENVAT/Value added tax, wherever applicable) less accumulated depreciation/amortization. Cost comprises the purchase price, freight, foreign exchange adjustments arising from exchange rate variations, borrowing cost attributable to the Qualifying Asset and any other directly attributable cost of bringing the asset to working condition for its intended use.
- b. 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.
- c. Capital work-in-progress represents the cost of tangible assets that are not yet ready for their intended use at the reporting date.

2.11 Capital Commitments

Estimated amount of contracts remaining to be executed exceeding Rs. 1.00 lacs in each case are disclosed in the “Notes to Accounts”.

2.12 Foreign Currency Transactions

- a. Foreign currency transactions are accounted for at the exchange rate prevailing on the transaction date.
- b. Foreign currency denominated monetary assets and liabilities are converted at the exchange rate prevailing on the Balance Sheet date and the resultant difference is charged/ credited to Profit & Loss account.
- c. Non-monetary assets and non-monetary liabilities denominated in a foreign currency, measured at historical cost are translated at the exchange rate prevalent at the date of transaction and any translation gain or losses are adjusted to the costs of the relevant assets according to newly inserted para 46A of Accounting Standard -11 vide notification issued by the Ministry of Corporate Affairs.

2.13 Forward Contracts

- a. The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the company does not use those for trading or speculation purposes.
- b. Forward contracts are fair valued at each reporting date. The resultant gain or loss from these transactions is recognized in the statement of profit and loss. The company records the gain or loss on effective hedges, if any, in the foreign currency fluctuation reserve until the transactions are completed. On completion, the gain or loss is transferred to the statement of profit and loss of that period. To designate a forward contract as an effective hedge, the Management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Any profit & loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the year.
- c. The company records the gain or loss on effective hedges, if any, in Hedge Reserve until the transaction is complete. In respect of Commodity Hedging transactions, gain/ losses on settlement are recognized in the profit & loss account.

2.14 Investments

Current investments are carried at lower of cost and fair value, computed category wise. Long -term Investments are stated at cost, unless there is a decline, other than temporary in the value of Investments.

2.15 Employees' Benefits

- a. 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 employee renders the related service.
- b. 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.
- c. Liability in respect of leave encashment is provided for based on Actuarial Valuation basis using the same projected unit credit method as above.

2.16 Borrowing Costs

- a. Borrowing Costs that are attributable to the acquisition or construction of qualifying assets as defined in Accounting Standard-16 are capitalized as part of the cost of such asset till such time as the asset is ready for its 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.



SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2012)



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

2.17 Inter unit Transactions

The Inter unit sale / purchase of materials/Job work transactions are accounted for at the prevailing market prices. Annual Accounts are reported excluding inter-unit transfers/transactions.

2.18 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.

2.19 Taxes on Income

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 charge/ credit is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

2.20 Impairment

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.

2.21 Provision, Contingent Liabilities and Contingent Assets

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.

Contingent assets are neither recognized nor disclosed.

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



Notes on Financial Statements for the year ended 31st March, 2012

The previous year figures have been regrouped/reclassified, wherever necessary to conform to the current year's presentation.

3. Share Capital

(₹ in '000, except per share data)

Particulars	As at 31 st March 2012	As at 31 st March 2011
Authorised		
Equity Shares of ₹ 2/- each		
2,50,00,000 (Previous Year 2,50,00,000) equity shares	50,000	50,000
Issued, Subscribed and Paid up		
Equity Shares of ₹ 2/- each		
1,92,01,400 (Previous Year 1,92,01,400) equity shares	38,403	38,403
Total	38,403	38,403

3.1 Reconciliation of Number of Shares

Particulars	Equity Shares (Numbers) As at 31 st March 2012	As at 31 st March 2011
Shares as at beginning of the year	19,201,400	19,201,400
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares as at end of the year	19,201,400	19,201,400

3.2 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.

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

3.4 Shareholders holding more than 5% shares

Name of Shareholders	As at 31 st March 2012		As at 31 st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. N. S. Ghumman	1,465,000	7.63	1,465,000	7.63
O D Finance and Investment Pvt. Ltd.	1,419,590	7.39	1,419,590	7.39
Ultra Portfolio Management Pvt. Ltd.	977,380	5.09	977,380	5.09
TSL Holdings Limited	2,790,200	14.53	2,790,200	14.53
Angad Estates Pvt. Ltd.	1,655,000	8.62	1,655,000	8.62

Notes on Financial Statements for the year ended 31st March, 2012

4. Reserves and Surplus

	(₹ in '000)	
Particulars	As at 31 st March 2012	As at 31 st March 2011
(a) Capital Reserve		
Opening Balance	6,420	6,420
Add: Transferred during the year	-	-
Less: Transferred to General reserve ⁽ⁱ⁾	6,363	-
	<u>57</u>	<u>6,420</u>
(b) General Reserve		
Opening Balance	200,000	190,000
Add: Transferred from Profit & Loss Account	10,000	10,000
Add: Transferred from Capital Reserve	6,363	-
	<u>216,363</u>	<u>200,000</u>
(c) Profit & Loss Account		
Opening balance	243,678	202,765
Add: Profit for the year	26,345	64,318
Amount available for Appropriations	270,023	267,083
Less: Appropriations		
(i) Interim Dividend	-	7,681
(ii) Proposed Final Dividend	-	3,840
(iii) Tax on Dividend	-	1,884
(iv) General Reserve	10,000	10,000
	<u>260,023</u>	<u>243,678</u>
	<u>476,443</u>	<u>450,098</u>

⁽ⁱ⁾ The company had received Central Capital Investment Subsidy of ₹ 6,363 thousand for undertaking substantial expansion of its units for which a pari passu charge was created on the plant & machinery of the company. The charge created has since been satisfied after completion of 5 years as such the said amount has become part of free reserves available to the company.

5. Long Term Borrowings

	(₹ in '000)	
Particulars	As at 31 st March 2012	As at 31 st March 2011
Secured		
(a) From Banks ⁽ⁱⁱ⁾		
Foreign Currency Loan-Buyers' Credit	76,740	-
Rupee Loan	31,722	14,216
(b) From Others ⁽ⁱⁱⁱ⁾	2,898	-
Unsecured		
From Others	4,091	11,191
	<u>115,451</u>	<u>25,407</u>

⁽ⁱⁱ⁾ ₹ 1,04,553 thousands availed as Term Loan is secured by first charge on Plant & Machinery, both present and future And equitable mortgage of company's Factory Land and Building, situated at Chambaghat, Solan, H.P.) and ₹ 3,908 thousands is secured by hypothecation of vehicles.

⁽ⁱⁱⁱ⁾ ₹ 2,898 thousands availed as Vehicle Loan is secured by hypothecation of vehicles.

Notes on Financial Statements for the year ended 31st March, 2012

6. Deferred Taxes

(₹ in '000)

Particulars	As at 31 st March 2012	As at 31 st March 2011
Deferred Tax Liabilities	22,698	20,433
Depreciation	-	1,727
	22,698	22,160
Deferred Tax Assets		
Depreciation	755	-
Provision for Doubtful Debts	4,830	-
Employee Benefits	168	(538)
Others	1,156	-
	6,909	(538)
Deferred Tax Liabilities (Net)	15,789	22,698

7. Other Long term Liabilities

(₹ in '000)

Particulars	As at 31 st March 2012	As at 31 st March 2011
(a) Trade Payables	3,747	3,332
(b) Others Liabilities	460	-
	4,207	3,332

8. Long Term Provisions

(₹ in '000)

Particulars	As at 31 st March 2012	As at 31 st March 2011
(a) Provision for employee benefits		
- Unavailed Leave (refer note no. 27.1)	1,882	1,588
b) Other Provisions		
- Excise duty on Finished goods	-	528
	1,882	2,116

9. Short Term Borrowings

(₹ in '000)

Particulars	As at 31 st March 2012	As at 31 st March 2011
Secured		
Working Capital Loans		
From Banks⁽ⁱ⁾		
Foreign Currency Loan	224,586	109,710
Rupee Loan	107,786	141,474
	332,372	251,184

⁽ⁱ⁾ Secured by hypothecation of stocks, movable properties and Book Debts, both present and future, and equitable mortgage of company's Factory Land and Building situated at Chambaghat Solan, Himachal Pradesh.

Notes on Financial Statements for the year ended 31st March, 2012

10. Trade Payable

(₹ in '000)

Particulars	As at 31 st March 2012	As at 31 st March 2011
Micro, Small and Medium Enterprises [#]	37	28
Others	59,269	138,313
	59,306	138,341

[#]As required under "Micro, Small and Medium Enterprises Development Act, 2006", the information available with the company relating to amount overdue at the end of the year on account of principal amount due is ₹37/- thousands (Previous year ₹28/- thousands) and interest due thereon is Nil (Previous year Nil)

11. Other Current Liabilities

(₹ in '000)

Particulars	As at 31 st March 2012	As at 31 st March 2011
(a) Current maturities of long-term debt (refer note no. 5)	59,570	26,275
(b) Interest accrued but not due on borrowings	2,233	254
(c) Interest accrued and due on borrowings	850	362
(d) Unclaimed dividends	1,915	1,992
(e) Other Payables		
(i) Statutory Dues	7,091	4,790
(ii) Advance From Customers	13,638	6,561
(iii) Others	10,361	7,380
	95,658	47,614

12. Short Term provisions

(₹ in '000)

Particulars	As at 31 st March 2012	As at 31 st March 2011
(a) Provision for employee benefits		
i) Bonus	2,021	1,866
ii) Unavailed Leave (refer note no. 27.1)	68	21
(b) Provision for Excise Duty on Finished Goods	3,614	2,073
(c) Interim Dividend	-	3,840
(d) Proposed Final Dividend	-	3,840
(e) Tax on Proposed Final Dividend	-	1,246
(f) Taxation	40,495	35,108
(g) Other Provisions	-	162
	46,198	48,156

Notes on Financial Statements for the year ended 31st March, 2012

13. Non Current Assets- Fixed Assets

		(₹ in '000)													
	Fixed Assets	Gross Block							Accumulated Depreciation				Net Block		
		As at 1st April 2011	Additions during the year	Disposals during the year	Revaluations/ (Impairments)	Effect of Foreign Currency Difference	Borrowing Cost Capitalised	Other Adjustments	As at 31st March 2012	As at 1st April 2011	Depreciation charged for the year	Adjustment due to revaluations/ (Impairment)	On disposals	As at 31st March 2012	As at 31st March 2011
(a)	Tangible Assets														
	Leasehold Land	367	13,444	13,444	-	-			367	-	-	-	-	367	367
	Buildings	34,381	105		-	-			34,486	11,567	1,151	-	-	21,768	22,814
	Plant and Equipment	207,447	22,876	570	-	535	1,397		231,685	96,811	12,049	-	331	108,529	110,636
	Furniture and Fixtures	13,286	3,048		-	-			16,334	4,909	1,050	-	-	10,375	8,377
	Vehicles	60,657	12,193	8,112	-	-			64,738	10,958	6,205	-	2,410	49,985	49,699
	Office Equipment	13,583	1,844	48	-	-			15,379	7,434	958	-	19	8,373	6,149
	Total (a)	329,721	53,510	22,174	-	535	1,397	-	362,989	131,679	21,413	-	2,760	212,657	198,042
(b)	Intangible Assets*														
	Computer software	1,201	1,317	-	-	-			2,518	1,151	208			1,359	50
	Total (b)	1,201	1,317	-	-	-	-	-	2,518	1,151	208	-	-	1,359	50
	Total (a+b)	330,922	54,827	22,174	-	535	1,397	-	365,507	132,830	21,621	-	2,760	213,816	198,092
	Previous year	294,081	41,899	5,032	-	-	-	(26)	330,922	116,654	18,975		2,799	198,092	177,427
(c)	Capital Work In Progress :														
	-Unit-I													1,284	555
	-Unit-IV													133,652	374
	Total													134,936	929

* Other than internally generated

Notes on Financial Statements for the year ended 31st March, 2012

13.1 Leasehold Land:

Leasehold Period: 99 years

Leasehold Instalment: Nil

13.2 In compliance with the companies (Accounting Standard) amendment Rules, 2009 issued by the Ministry of Corporate Affairs vide Notification no.-G.S.R. 225(E) dated 31st March, 2009 and according to newly inserted paragraph of the Accounting Standard (AS)- 11 "The effect of changes in Foreign Exchange Rates", during the year the company has adjusted ₹ 995 thousands (Previous year ₹ 163 thousands) to the cost of relevant fixed assets. Out of ₹ 995 thousands, ₹ 460 thousands stands included in borrowing cost as per AS-16-"Borrowing Cost read with ASI-10".

13.3 During the year the Company has commenced commercial production of cold bonded clad strips and parts at its new Unit (viz. Unit-IV) at Solan (Himachal Pradesh). In line with Applicable Accounting Standard(s) and other statutory provisions, pre-operative expenses till the date of start of commercial production/ Commencement of unit-IV amounting to ₹ 3,430 thousands have been capitalized to the carrying cost of fixed assets. The said expenditure, as per details, so capitalized are accumulated as "Capital work in progress" and have been allocated to respective items of plant and machinery to the extent these were put to use and the balance sum is appearing under the head Capital Work in Progress to be capitalized on the remaining plant and machinery/building as and when completed and put to use. the details as are given below:

Capital Work-in-Progress (Unit-IV)

(₹ in '000)

Particulars	As at 31 st March 2012		As at 31 st March 2011	
Plant & Machinery under installation		98,676		-
Building under Construction		3,661		-
Expenses Pending Capitalisation (Unit-IV)				-
Opening Balance	374			
Add:				
Transferred from Profit & Loss Account (refer note no. 29)	14,829		374	
Interest Capitalized	9,944		-	
Exchange Rate Fluctuation-ASI 10	4,896		-	
Exchange Rate Fluctuation	4,800		-	
Total	34,843		374	
Less:				
Expenses Capitalized during the year	3,528		-	
Closing Balance		31,315		374
Total		133,652		374



Notes on Financial Statements for the year ended 31st March, 2012

14. Non Current Investments

	(₹ in '000)	
Particulars	As at 31 st March 2012	As at 31 st March 2011
Other Investments		
Unquoted, fully paid up		
(a) In Equity Shares of Associate Companies	2,228	2,228
222,750 shares in Shivalik Bimetal Engineers Pvt. Limited of ₹10/- each (Previous Year 222,750 shares of ₹10/- each)		
15,120,000 shares in Innovative Clad Solutions Pvt. Limited of ₹10/- each (Previous Year 10,520,000 shares of ₹10/- each)	151,200	105,200
(b) In Equity Shares of Joint Venture	11,895	11,895
685,900 shares in Checon Shivalik Contact Solutions Pvt. Limited of ₹10 each (Previous Year 685,900 shares of ₹10/- each)		
(c) In Equity Shares of Other Company	200	200
20,000 shares in Shivalik Solid Waste Management Pvt. Limited of ₹ 10 each (Previous Year 20,000 shares of ₹10 each)		
	165,523	119,523

15. Long term Loans and Advances

	(₹ in '000)	
Particulars	As at 31 st March 2012	As at 31 st March 2011
(a) Capital Advances		
Unsecured, considered good	5,200	18,275
	5,200	18,275
(b) Security Deposits		
Unsecured, considered good		
Balances with Government Authorities	1,012	1,012
Others	1,940	612
	2,952	1,624
(c) Other loans and advances		
Unsecured, Considered good		
Prepaid Expenses	22	61
Mat Credit Entitlement	3,791	8,411
	3,813	8,472
	11,965	28,371

16. Other Non Current Assets

	(₹ in '000)	
Particulars	As at 31 st March 2012	As at 31 st March 2011
(a) Long Term Trade Receivables		
Unsecured		
Considered good	77,466	39,553
Considered Doubtful [#]	14,885	-
	92,351	39,553
Less: Provision for doubtful debts	14,885	-
	77,466	39,553
(b) Others		
Inventories	2,532	19,784
	2,532	19,784
	79,998	59,337

Notes on Financial Statements for the year ended 31st March, 2012

[#]The company had initiated legal proceedings for recovery of a sum of ₹ 14,8.85 thousands outstanding amount in respect of a debtor relating to Export. The company sees no possibility of recovery of the aforesaid sum after having been advised by the local solicitors in Korea about non-feasibility of executing the decree passed in the favour of the company.

Pending permission from appropriate authorities for writing off the said sum, the company has made provision, being doubtful of recovery.

17. Current Investments

Particulars	(₹ in '000)	
	As at 31 st March 2012	As at 31 st March 2011
Other Investments (valued at Cost)	2,930	1,984
	<u>2,930</u>	<u>1,984</u>

18. Inventories

Particulars	(₹ in '000)	
	As at 31 st March 2012	As at 31 st March 2011
(a) Raw Materials		
(i) At Store	77,015	74,208
(ii) At Bonded Warehouse	168,686	96,836
(iii) Goods-in transit	3,056	36,639
	<u>248,757</u>	<u>207,683</u>
(b) Work-in-Process	<u>34,614</u>	<u>52,722</u>
(c) Finished goods		
(i) At Store	33,018	18,316
(d) Stores, Spares and Packing Material	<u>3,116</u>	<u>3,592</u>
(e) Scrap	<u>17</u>	<u>152</u>
	<u>319,522</u>	<u>282,465</u>

19. Trade Receivables

Particulars	(₹ in '000)	
	As at 31 st March 2012	As at 31 st March 2011
Trade Receivables (Unsecured and Considered Good)		
(a) Over six months from the date they were due for payment	508	574
(b) Others	159,714	226,766
	<u>160,222</u>	<u>227,340</u>

20. Cash and Cash Equivalents

Particulars	(₹ in '000)	
	As at 31 st March 2012	As at 31 st March 2011
(a) Balances with banks in		
- Current Accounts	953	2,747
- Current Accounts in Foreign Currency	283	3,834
- Margin Money Deposit against Bank Gurantee(s) [#]	2,803	2,338
(b) Margin Money Deposit-Others	601	894
(c) Cheques & drafts on hand	959	4,632
(d) Cash on hand	375	287
(e) Unpaid Dividend	1,914	1,992
	<u>7,888</u>	<u>16,724</u>

[#]Margin Money deposit with banks include Fixed deposit of ₹ 5.88 thousands (Previous Year ₹ 6.20 thousands) with maturity of less than 12 months.

Notes on Financial Statements for the year ended 31st March, 2012

21. Short Term Loans and Advances

	(₹ in '000)	
Particulars	As at 31 st March 2012	As at 31 st March 2011
Unsecured, considered good		
(a) Loans and advances to related parties (refer note no. 35)	-	1,293
(b) Loans and advances to Employees	331	179
(c) Prepaid Expenses	1,692	2,737
(d) Balances with Revenue authorities	76,208	70,883
(e) MAT Credit Entitlement	5,000	7,000
(f) Security Deposits	50	-
(g) Other loans and advances	3,783	8,239
	87,064	90,331

22. Other Current Assets

	(₹ in '000)	
Particulars	As at 31 st March 2012	As at 31 st March 2011
Interest accrued but not due on FDR	277	234
Export Incentives-SHIS	1,568	1,568
Interest Receivable from Customers	-	195
Interest Receivable Subvention	-	256
	1,845	2,253

23. Revenue from Operations

	(₹ in '000)	
Particulars	2011-12	2010-11
Sale of products	840,566	942,468
Less: Excise duty	46,132	56,217
	794,434	886,251
Other Operating Revenues	274	123
Export Benefits	-	1,568
	794,708	887,942

24. Other Income

	(₹ in '000)	
Particulars	2011-12	2010-11
(a) Interest Received on deposits with bank	246	73
(b) Interest received on delayed Payment	3,492	4,980
(c) Rent Received	360	444
(d) Insurance Claims received	400	147
(e) Miscellenous Income	98	865
	4,596	6,509

Notes on Financial Statements for the year ended 31st March, 2012

25. Cost of Materials Consumed

Particulars	2011-12		2010-11	
	(₹ in '000)	% of Consumption	(₹ in '000)	% of Consumption
Imported	4,44,669	94%	4,67,748	89%
Indigenous	28,385	6%	57,788	11%
	4,73,054	100%	5,25,536	100%

26. Decrease/(Increase) in Finished Goods and Work-in Process

Particulars	2011-12		2010-11	
				(₹ in '000)
Inventory (at Beginning)				
- Finished Goods	22,997		14,376	
- Work-in-Process	56,892		52,167	
- Scrap	152	80,041	17	66,560
Inventory (at Close)				
- Finished Goods	33,037		22,997	
- Work-in-Process	34,614		56,892	
- Scrap	17	67,668	152	80,041
(Increase)/Decrease		12,373		(13,481)
Add/(Less): Excise duty variation on opening/closing stock		1,013		924
(Increase)/Decrease		13,386		(12,557)

27. Employee Benefit Expenses

Particulars	2011-12	2010-11
		(₹ in '000)
(a) Salaries and Wages	64,710	51,891
(b) Contributions to -		
(i) Provident fund	2,993	2,540
(ii) ESI Contribution	1,003	961
(iii) Gratuity fund contributions	1,150	1,114
(c) Staff welfare expenses	4,550	3,994
	74,406	60,500

27.1 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits":

The disclosures required under Accounting Standard 15 (revised) "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 Financial Statements for the year ended 31st March, 2012

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

(₹ in '000)

Particulars	2011-12	2010-11
(a) Employer's Contribution to Provident Fund	2,550	2,282
(b) Employer's Contribution to Pension Scheme	1,360	1,213

(II) Defined Benefit Plan

- (a) Gratuity
- (b) Leave Encashment

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 obligation for leave encashment is recognized in the same manner as gratuity. The Actuary has carried out the valuation based on the followings assumptions:

Particulars	2011-12		2010-11	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	8.50%	8.50%	8.00%	8.00%
Rate of escalation in Salary (per annum)	6.50%	6.50%	6.00%	6.00%
Expected Rate of return on plan assets (per annum)	9.15%	-	9.15%	-
Expected Average remaining working lives of employees in no. of years	23.01	23.01	23.54	23.54
Mortality Table (LIC)	(1994-96) duly modified		(1994-96) duly modified	

(₹ in '000)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
(a) Changes in Present Value of Obligation				
Opening balance of Present value of obligation	7,438	5,900	1,609	1,368
Interest Cost	636	472	137	109
Current Service Cost	831	627	299	226
Benefits Paid	(398)	(212)	(27)	(25)
Actuarial (Gain)/Loss on Obligation	461	651	(68)	(69)
Closing Balance of Present value of obligation	8,968	7,438	1,950	1,609
(b) Changes in Fair Value of Plan Assets				
Opening balance of Fair Value of Plan Assets	8,725	5,610	-	-
Expected Return on Plan Assets	798	513	-	-
Employer's Contribution	-	2,691	-	-
Benefits paid	(398)	(211)	-	-
Actuarial Gain/ (Loss) on Plan Assets	(18)	122	-	-
Closing balance of Fair value of Plan Assets	9,107	8,725	-	-
Actual return on Plan Assets	780	636	-	-

Notes on Financial Statements for the year ended 31st March, 2012

Particulars	(₹ in '000)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
(c) Percentage of each category of Plan Assets to total Fair value of Plan assets				
Administered by Life Insurance Corporation of India	100%	100%	-	-
(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets				
Closing Balance of Present Value of Obligation	8,968	7,438	1,950	1,609
Closing Balance of Fair Value of Plan Assets	9,107	8,725	-	-
(Asset)/ Liability recognised the Balance Sheet	139	(1,287)	1,950	1,609
(e) Amount Recognised in the Balance Sheet				
Closing Balance of Present Value of Obligation	8,968	7,438	1,950	1,609
Closing Balance of Fair Value of Plan Assets	9,107	8,725	-	-
Funded (Asset)/ Liability recognized in the Balance Sheet	(139)	(1,287)		
Unfunded Liability recognised in the Balance Sheet	-	-	1,950	1,609
(f) Expenses recognised in the statement of Profit and Loss				
Current Service Cost	831	627	299	226
Interest Cost	636	472	137	109
Expected Return on Plan Assets	(798)	(513)	-	-
Net Actuarial (Gain)/Loss recognised in the period	479	529	(68)	(69)
Expenses recognized in the statement of Profit and Loss	1,148	1,115	368	266
(g) Experience Adjustments				
Experience adjustment on Plan Liabilities (loss)/gain	(489)	(651)	62	69
Experience adjustment on Plan Assets (loss)/ gain	(18)	122	-	-
(h) Expected employer contribution for the next year	735	570	392	267

28. Finance Cost

Particulars	(₹ in '000)	
	2011-12	2010-11
(a) Interest expense on		
(i) Borrowing Cost	24,393	28,097
(ii) Others	1,612	389
(b) Other Finance costs	5,911	2,399
(c) Applicable Loss on foreign currency transactions and translation	5,400	162
	<u>37,316</u>	<u>31,047</u>

Notes on Financial Statements for the year ended 31st March, 2012

29. Manufacturing & Other Expenses

(₹ in '000)

Particulars	2011-12	2010-11
Stores & Spares Consumed (refer note no. 29.1)	16,788	15,674
Power & Fuel	8,280	8,142
Machinery Repairs	9,874	9,022
Building Repairs	6,809	4,414
Other Repairs	10,294	8,127
Processing Charges	5,699	14,060
Research & Development	1,372	1,498
Insurance	591	4,215
Rent	5,605	2,233
Rates & Taxes	771	412
Travelling & Conveyance	11,981	13,289
Electricity and Water Charges	2,098	1,969
Printing & Stationery	1,315	1,235
Communication Expenses	1,783	1,796
Professional and Consultancy Charges	11,507	2,546
Payment to Auditors (refer note no. 29.3)	1,758	1,400
Charity and Donations	100	95
Business Promotion /Development, Advertisement & Publicity	2,557	4,345
Commission on Sales	31,792	39,841
Packing Cost	24,944	39,763
Forwarding & Freight	16,074	18,556
Miscellaneous Expenses	7,898	5,468
Prior Period Expense (refer note no. 29.4)	149	71
Loss on Exchange Fluctuations	7,509	(13,894)
	187,548	184,277
Less: Transferred to Expenses Pending for Capitalization (Unit-IV)	14,829	374
Manufacturing Expenses transferred to Statement of Profit & Loss	172,719	183,903

29.1 Stores & Spares consumed

Particulars	2011-12		2010-11	
	(₹ in '000)	% of Consumption	(₹ in '000)	% of Consumption
Imported	2,926	17%	3,498	22%
Indigenous	13,862	83%	12,176	78%
	<u>16,788</u>	<u>100%</u>	<u>15,674</u>	<u>100%</u>

29.2 Value of Imports on CIF basis in respect of

(₹ in '000)

Particulars	2011-12	2010-11
(a) Raw Material	412,748	423,122
(b) Spares parts	3,083	3,611
(c) Capital Goods	96,863	7,667

Notes on Financial Statements for the year ended 31st March, 2012

29.3 Payment to Auditors

	(₹ in '000)	
Particulars	2011-12	2010-11
(a) Auditor as Statutory Auditor	800	800
(b) Taxation matters	750	550
(c) Company law matters	10	-
(d) Other services	146	-
(e) Reimbursement of expenses	52	50
	1,758	1,400

29.4 Prior Period Items

	(₹ in '000)	
Particulars	2011-12	2010-11
(a) Prior Period Expense	157	487
(b) Prior Period Income	8	416
	149	71

29.5 Expenditure in Foreign Currency

	(₹ in '000)	
Particulars	2011-12	2010-11
(a) Travelling	374	3,645
(b) Professional Fees	132	570
(c) Export Commission	4,513	3,221
(d) Interest Paid on Buyers' Credit	5,214	710
(e) Expenditure on account of Exchange Fluctuations	12,909	-

30. Exceptional Items (Income)/Expenses

	(₹ in '000)	
Particulars	2011-12	2010-11
(a) Exceptional Items Expenses		
- Provision for Doubtful Debts	14,887	111
- Loss on Sale of Fixed Assets	5,814	163
- Loss on Commodity Derivative	415	(315)
	21,116	(41)
(b) Exceptional Items Income		
- Amount received on maturity of Keyman Insurance Policies	51,519	-
- Profit on Sale of Fixed Assets	282	-
	51,801	-
Net (Income)/Expenses	(30,685)	(41)

31. Earnings Per Share

	(₹ in '000)	
Particulars	2011-12	2010-11
Net Profit attributable to shareholders (₹ in '000)	26,345	64,318
Weighted average number of equity Shares	19,201,400	19,201,400
Basic and Diluted Earnings per share (₹)	1.37	3.35
Face Value per Equity Share (₹)	2	2



Notes on Financial Statements for the year ended 31st March, 2012

32. Earnings in Foreign Exchange

(₹ in '000)

Particulars	2011-12	2010-11
FOB Value of Export (Net of Returns)	342,462	329,083
Receipts on account of Exchange Fluctuations	-	13,732

33. Contingent Liabilities in respect of

(₹ in '000)

Particulars	2011-12	2010-11
(A) Contingent Liabilities		
Bank Guarantee(s) submitted	11,211	9,255
Letters of Credit established by the bank	18,033	20,803
Bills Discounted	17,843	15,269
Customs duty on Material imported against Advance License / EPCG Scheme, for pending export obligation	62,350	6,827
Corporate Guarantee(s) on behalf of JV/ Associate Company	55,800	20,100
Surety with Sales Tax Department	500	500
(B) Commitments		
(a) Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	14,517	30,958

34. 'Customs Duty not provided for' in respect of materials lying in Bonded Warehouses / Materials in Transit as on Balance Sheet date, is of ₹ 35,378 thousands inclusive of Cenvatable amount of ₹ 27,301 thousands (Previous Year ₹ 23,927 thousands inclusive of Cenvatable amount of ₹ 18,950 thousands). However, the above policy has no impact on the operating results of the Company.

35. During the year the Company has made plans for changing the scope of operations carried out by "100% EOU" i.e. Unit-III. The erstwhile operations shall henceforth be continued by the other existing units of the company. As such the Company has applied for permission to surrender 100% EOU status of Unit-III.

36. Foreign currency exposures that are not hedged by forward contracts as on 31st March, 2012 amount to ₹ 2,74,005 thousands (Previous year ₹ 1,69,810 thousands).

37. The Company's activities involve predominantly one business segment i.e. Process and product Engineering, which are considered to be within a single business 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 AS 17- Segment Reporting, with respect to primary segments.

The Company has identified India and Rest of the World as geographical segments for secondary segmental reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognized. Assets other than receivables used in the Company's business or liabilities contracted have not been identified to any of the reportable segments, as these are used interchangeably between segments. All assets other than receivables are located in India.

Notes on Financial Statements for the year ended 31st March, 2012

Secondary Segmental Information

(₹ in '000)

Particulars	India		Rest of world		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Segment Sales	447,289	554,287	347,145	331,964	794,434	886,251
Segment Assets	166,770	173,160	85,804	93,731	252,574	266,891

38. "Related Party Disclosure" for the year ended 31st March, 2012 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

(i) **List 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.	Shivalik Bimetal Engineers Pvt. Ltd.	Associates
3.	Innovative Clad Solutions Pvt. Ltd.	
4.	Mr. S. S. Sandhu	Key Managerial Personnel (KMP)
5.	Mr. N. S. Ghumman	
6.	Mr. D. J. S. Sandhu	
7.	Mr. G. C. Prabhu	Other Directors
8.	Mr. Anil K Sud	
9.	Mr. Angad Sandhu	Relative of Key Managerial Personnel
10.	Mr. Kanav Anand	
11.	Mr. Kabir Ghumman	
12.	Brig. J. M. Singh	
13.	TSL Holdings Ltd	Enterprises over which Key Managerial Personnel are able to exercise significant influence
14.	Angad Estates Pvt. Ltd.	
15.	Vishesh Credits Pvt. Ltd.	
16.	Amar Engineering Company Pvt. Ltd.	

Notes on Financial Statements for the year ended 31st March, 2012

(ii) Transactions during the year with related parties:

Sr. No.	Nature of Transactions	Joint Venture	Associates	Key Managerial Personnel	Others Directors	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence
1.	Equity Shares	-	47,128	-	-	-	-
		-	(30,550)	-	-	-	-
2.	Share Application Money	-	-	-	-	-	-
		-	(2,420)	-	-	-	-
3.	Rent Received	-	397	-	-	-	-
		(385)	(33)	-	-	-	-
4.	Job Work Income	-	446	-	-	-	-
		(28)	-	-	-	-	-
5.	Goods Sold	429	108	-	-	-	-
		(762)	(24)	-	-	-	-
6.	Goods Purchased	184	6,112	-	-	-	-
		(313)	(82)	-	-	-	-
7.	Other Expenses(Net)	517	-	-	-	-	-
		(265)	(126)	-	-	-	-
8.	Managerial Remuneration	-	-	14,723	-	-	-
		-	-	(12,007)	-	-	-
9.	Professional Fee Paid	-	-	-	875	-	-
		-	-	-	-	-	-
10.	Remuneration in pursuant to Section 314 of the Companies Act 1956 for holding an office or place of profit.	-	-	-	-	3,138	-
		-	-	-	-	(1,653)	-
11.	Rent Paid	-	-	-	160	-	4,752
		-	-	-	-	-	(1,291)
12.	Security Deposit	-	-	-	-	-	1,350
		-	-	-	-	-	-

39. Disclosure in respect of Associate(s)

Name of Company	Country of Incorporation	% of Voting power held as at	
		31 st March, 2012	31 st March 2011
Shivalik Bimetal Engineers Pvt. Ltd.	India	45%	45%
Innovative Clad Solutions Pvt. Ltd. [@]	India	27%	33.33%

[@] Consequent to exist of a JV partner from Innovative Clad Solutions Pvt. Ltd. (ICS) (wherein there were three JV partners holding 1/3rd equity each) and modified terms between the remaining two JV partners the Company's equity holding stands reduced to 26.78% from that of 1/3rd, as such the Company's interest in ICS stands modified to an associate Company from that of a JV Company as per AS-27 as "Financial Reporting of interest in Joint Ventures" issued by ICAI.

Notes on Financial Statements for the year ended 31st March, 2012

40. Disclosure in respect of Joint Venture

The company's Interest in the Joint Ventures are reported as Long Term Investment (Note No.-14) and stated at cost. The Disclosure as per AS -27 in respect of Investment in Joint Ventures is as under:

Name of Company	% of shareholding	Amount of Interest based on accounts for the year ended 31 st March 2012 (Unaudited)					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital commitments
Checon Shivalik Contact Solutions Pvt. Ltd.	50%	51,925	51,925	45,489	43,321	150	-
(Previous Year)		(60,016)	(60,016)	(58,171)	(50,312)	(150)	(3,015)



REGISTRATION FORM

To
Shivalik Bimetal Controls Limited
16-18, New Electronics Complex,
Chambaghat, Distt. Solan – 173213,
Himachal Pradesh

Dear Sir/Madam,

RE: Green Initiative in Corporate Governance

I agree to receive all communication from the Company in electronic mode. Please register my e-mail id in your records for sending communication through e-mail.

Folio No. : _____

DP ID : _____

Client ID : _____

PAN : _____

Name of 1st Registered Holder : _____

Name of Joint Holder(s) : _____

Registered Address : _____

E-mail ID : _____

Date: _____

Signature of the first holder : _____

Important Notes:

- 1) On registration, all the communication will be sent to the e-mail ID registered in the folio/DP ID & Client ID.
- 2) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email Id given above is changed by you by sending another communication in writing, the company will continue to send the notices/documents to you on the above mentioned email ID.



ATTENDANCE SLIP

SHIVALIK BIMETAL CONTROLS LIMITED

Registered Office: 16-18, New Electronics Complex, Chambaghat, Distt. Solan -173213 (H.P.) (INDIA)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.
Joint shareholders may obtain additional Attendance Slip on request.

Name and Address of the Shareholder

Folio / Client ID No. :

No. of Shares held : _____

I hereby record my presence at the 28th Annual General Meeting of the Company held on Wednesday, the 26th September, 2012, at Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan -173213 (H.P.) at 10.00 a.m.

Full Name of Proxy (in block letters)
(To be filled if the Proxy attends instead of Members)

Signature

Signature of Shareholder or Proxy*
*Strikeout whichever is not applicable

TEAR HERE

PROXY FORM

SHIVALIK BIMETAL CONTROLS LIMITED

Registered Office: 16-18, New Electronics Complex, Chambaghat, Distt. Solan -173213 (H.P.) (INDIA)

Folio / Client ID No. :

Name of the shareholder:

I/We
ofbeing a member / members
of the Shivalik Bimetal Controls Limited hereby appoint
of
or failing him of
as my/our proxy to vote for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held
on Wednesday, the 26th September, 2012, at Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)
at 10.00 a.m. or at any adjournment thereof.

Signed this day of 2012

Affix a
Revenue
Stamp of
Rs. 1.00

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not to be a member of the company.



BOOK POST



If Undelivered please return to:

SHIVALIK BIMETAL CONTROLS LIMITED

**H-2, Suneja Chambers, 2nd Floor,
Alaknanda Commercial Complex,
New Delhi - 110019 (INDIA)**