

**32<sup>nd</sup>**  
**ANNUAL**  
**REPORT**  
**2015-16**



**SHIVALIK BIMETAL**  
**CONTROLS LIMITED**





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### **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 120 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](mailto:investor@shivalikbimetals.com).



## COMPANY INFORMATION

|   |   |
|---|---|
| <b>The Board of Directors</b>               | : Mr. S.S. Sandhu, Chairman<br>Mr. N.S. Ghumman, Managing Director<br>Mr. Rohit Kapur, Director<br>Mr. G.S. Gill, Director<br>Mr. N.J.S. Gill, Director<br>Lt. Gen. Pradeep Khanna, Director<br>Capt. Jitender Singh Mann, Director<br>Mrs. Harpreet Kaur, Women Director |
| <b>Chief Financial Officer</b>              | : Mr. Mukesh Kumar Verma  |
| <b>Company Secretary</b>                    | : Mr. Ram Pravesh   |
| <b>Registered Office</b>                    | : 16-18, New Electronics Complex,<br>Chambaghat, Distt. Solan-173213<br>Himachal Pradesh.<br>Phone : +91-1792-230578, 230175<br>Fax : +91-1792-230475<br>Email : nsghumman@shivalikbimetals.com<br>Website: www.shivalikbimetals.com<br>CIN: L27101HP1984PLC005862        |
| <b>Head Office</b>                          | : H-2, Suneja Chambers, 2nd Floor,<br>Alaknanda Commercial Complex,<br>New Delhi-110019<br>Phone : +91-11-26027174, 26026362, 26028175<br>Fax : +91-11-26026776, 26020806<br>Email : investor@shivalikbimetals.com<br>Website: www.shivalikbimetals.com                   |
| <b>Statutory Auditors</b>                   | : Malik S & Co.,<br>Chartered Accountants,<br>1/101, (L G F) Old Rajinder Nagar,<br>Sir Ganga Ram Hospital Marg,<br>New Delhi- 110 060  |
| <b>Bankers</b>                              | : Indian Bank<br>Nehru Place,<br>New Delhi-110019   |
| <b>Registrar &amp; Share Transfer Agent</b> | : M/s MAS Services Ltd.<br>T – 34, IInd Floor,<br>Okhla Industrial Area, Phase – II,<br>New Delhi-110020,<br>Tel No.: (91) (11) 26387281, 266387282<br>Fax: (91) (11) 26387384<br>Email: info@masserv.com   |
| <b>Secretarial Auditors</b>                 | M/s. R Miglani & Co., Company Secretaries   |
| <b>Internal Auditors</b>                    | M/s. AMR & Co., Chartered Accountants   |



## NOTICE TO THE MEMBERS



NOTICE is hereby given that the 32nd Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Tuesday, the 20th day of September, 2016 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:

- (a) the Audited Financial Statements of the Company for the Financial year ended at March 31, 2016, together with the Reports of the Board of Directors and Auditors thereon;
- (b) the Consolidated Financial Statements of the Company for the Financial year ended at March 31, 2016 together with the Report of the Auditors thereon;

#### 2. To appoint a Director in place of Mr. G. S. Gill (DIN: 00007393), who retires by rotation and being eligible offers himself for re-appointment.

#### 3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s Malik S & Co., Chartered Accountants (Registration No. 00383N), New Delhi, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with Auditors.”

### SPECIAL BUSINESS :

#### 4. To consider adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the set of Articles of Association containing Article nos. 1 to 143 submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment(s) thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Mr. N. S. Ghuman, as Managing Director of the Company for a period of five (5) years w.e.f. 1st April, 2016 to 31st March, 2021, at a managerial remuneration, perquisites and other terms and conditions are mentioned hereunder:-

| Particulars                                | Amount (Rupees in Lacs) |
|--|-------------------------|
| Basic Salary                               | 53.70                   |
| House Rent Allowance : 50% of Basic Salary | 26.85                   |
| Perquisites as per rule of the Company     | 3.00                    |
| Remuneration                               | 83.55                   |

Contribution to EPF amounting to Rs. 6.44 Lacs does not form part of remuneration, as such not included in above.

**FURTHER RESOLVED THAT** Directors of the Company be and are hereby authorized to complete all the formalities as required for the above-said purpose.”



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

**“RESOLVED THAT** pursuant to the provisions of Sections 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re- enactment(s) thereof, for the being in force), the consent of the Company be and is hereby accorded the revision in managerial remuneration of Mr. S. S. Sandhu, as Whole time Director of the Company for a period of one (1) year w.e.f. 01st April, 2016 to 31st March, 2017, with such terms and conditions are mentioned hereunder:-

| Particulars                                | Amount (Rupees in Lacs) |
|--|-------------------------|
| Basic Salary                               | 53.70                   |
| House Rent Allowance : 50% of Basic Salary | 26.85                   |
| Perquisites as per rule of the Company     | 3.00                    |
| Remuneration                               | 83.55                   |

Contribution to EPF amounting to Rs. 6.44 Lacs does not form part of remuneration, as such not included in above.

**FURTHER RESOLVED THAT** Directors of the Company be and are hereby authorized to complete all the formalities as required for the above-said purpose.”

Place : New Delhi  
Date : August 11, 2016

By order of the Board  
**For SHIVALIK BIMETAL CONTROLS LIMITED**

Sd/-

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

**N. S. Ghuman**  
**Managing Director**  
DIN: 00002052

Village Basal, Chambaghat District Solan  
173213, Himachal Pradesh, India

**NOTES :**

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

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

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Disclosures pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 14.09.2016 to 19.09.2016 (both days inclusive) for the purpose of Annual General Meeting.
5. The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013, in respect of the special business under item No. 4, 5 & 6 is annexed hereto.



6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours i.e. 09:30 A.M. to 06:00 P.M. up to the date of the Meeting.
7. 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.

8. 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.
9. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
10. 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.
11. Pursuant to Section 124 and 125 of the Companies Act, 2013 and other applicable provisions all unclaimed/unpaid dividend for the years prior to and including for the financial year 2008-09 (Interim Dividend) have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

In case the Dividend has remained unclaimed for any of the financial year from 2008-09 (Final Dividend), the Shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend.

12. 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](mailto:info@masserv.com) or [investor@shivalikbimetals.com](mailto: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](mailto:info@masserv.com) or [investor@shivalikbimetals.com](mailto: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

13. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The procedure and instructions for members for e-voting are as under:

- I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):



- a. Open e-mail and open PDF file viz. "SBCL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
  - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
  - c. Click on Shareholder-Login.
  - d. Put user ID and password as initial password noted in step (a) above. Click Login.
  - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - g. Select "EVEN" of "Shivalik Bimetal Controls Limited".
  - h. Now you are ready for remote e-voting as Cast Vote page opens.
  - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [plawizard@gmail.com](mailto:plawizard@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. In case of Members receiving Physical copy of Notice of 32nd Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)
- a. Initial password is provided in the box overleaf.
  - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- IV. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 13th September, 2016.
- VII. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 13th September, 2016, may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- VIII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.





- IX. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- X. The e-voting period commences on 17th September, 2016 (09.00 a.m.) and ends on 19th September, 2016 (05.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- XI. Mr. Purshotam Lal Arora, Practicing Chartered Accountant (Membership No. 081294), Proprietor of M/s P L Arora & Co., Chartered Accountants has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.shivalikbimetals.com](http://www.shivalikbimetals.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.



## **Annexure to Notice**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

#### **ITEM NO. 4**

With the coming into force of new Companies Act, 2013 several regulations of the existing Articles of Association of the Company require alteration or deletions in several articles. Therefore, to ensure that Articles of Association of the Company are not in conflict with the provisions as contained in the new Companies Act, 2013 and regulations made thereunder and various explanations/ clarifications issued by Ministry of Corporate Affairs from time to time, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

The new set of Articles of Association containing Articles no. 1 to 143 are to be substituted in place of the existing Articles of Association.

The proposed new draft Articles of Association is being uploaded on the Company's website at [www.shivalikbimetals.com](http://www.shivalikbimetals.com) for perusal by the shareholders.

None of the Directors of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

These documents shall be available for inspection during the business hours i.e. 09:30 A.M to 06:00 P.M. at the registered office of the company.

#### **ITEM NO. 5**

Keeping in view the contribution made by Mr. N. S. Ghumman for sustaining the growth of the business of the Company futuristically, the Board of Directors in their meeting held on 9th February, 2016, decided to reappoint Mr. N. S. Ghumman as Managing Director of the Company for another term of 5 years effective from 1st April, 2016 subject to approval of the Shareholders in General Meeting.

Mr. N. S. Ghumman is one of the promoter Directors of the Company and is associated with the Company from the date of inception. He is a highly qualified and a widely experienced technocrat having experience of over 43 years in the field of engineering, manufacturing operations, Research & Development/ Product Development activities etc.

During this period, under his stewardship the Company has undertaken many challenging initiatives, implemented critical expansion programs and has enhanced manufacturing capabilities and capacities with the result that the Company's products find more and more acceptability, world over.

During the fifth year of his appointment as Managing Director of the Company, Mr. N. S. Ghumman would be attaining the age of seventy years (70 yrs.) on 24th August, 2020. In accordance with the provisions of section 196 of the Companies Act, 2013, Mr. N. S. Ghumman's appointment as Managing Director beyond the age of seventy years (70 yrs.) would need Special resolution to be passed by the members in the forthcoming General Meeting.

Mr. N. S. Ghumman enjoys robust health and is actively associated in the development of new products accompanied by research & development. The Board recommends the resolution to be passed as special resolution by the Shareholders as per the requirements Companies Act, 2013.

None of the Directors, except Mr. S. S. Sandhu, who is brother-in-law of Mr. N. S. Ghumman is concerned or interested in the proposed resolution.

#### **ITEM NO. 6**

Pursuant to provisions of section 197 and 198 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re- enactment(s) thereof, for the being in force), the Board decided upon recommendation of Nomination and Remuneration committee to revise the existing managerial remuneration, perquisites and terms and conditions of Mr. S. S. Sandhu for a period of one year from 01st April, 2016 to 31st March 2017.



Mr. S. S. Sandhu is one of the Promoter Directors of the Company and is the Whole-time Director and Executive Chairman of the Company. He has over 44 years of experience in varied spheres of Entrepreneurship functions including Finance, Banking, legal, commercial (domestic as also the international), administrative and Corporate financial management functions of the Company as well as looking after the Company's interests in JV's/Associates. His well-defined path-oriented initiatives with long term vision, leadership and strategic decision-makings have contributed immensely to the overall growth of the Company, during this period.

The Board recommends the resolution to be passed as special resolution by the Shareholders as per the requirements of the Companies Act, 2013.

None of the Directors, except Mr. N. S. Ghumman, who is brother-in-law of Mr. S. S. Sandhu is concerned or interested in the proposed resolution.

Place : New Delhi  
Date : August 11, 2016

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

**Registered Office:**

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

Sd/-  
**N. S. Ghumman**  
**Managing Director**  
DIN: 00002052  
Village Basal, Chambaghat District Solan  
173213, Himachal Pradesh, India



## DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(Refer Item Nos. 2 & 5 of Notice)

| Name of Director  | Brief resume and nature of expertise in functional areas  | List of Directorships / Committees memberships as on 31st March, 2016 in other Companies            |
|-------------------|---|---|
| Mr. G.S. Gill     | Mr. Gurmeet Singh Gill is qualified MBA having vast business experience in various Commercial Areas. He is on the Board of the Company since the year 1998 as Non-executive and Independent Director of the Company. Since he has been in business for the last 38 years and accordingly well aware of intricacies of carrying on business, as such provide useful guidance to the Company on critical issues.  | Please refer related particulars in Corporate Governance Report forming part of this Annual Report. |
| Mr. N. S. Ghumman | Mr. N. S. Ghumman is one of the promoter Directors of the Company and holds the position of Managing Director in the Company. He is a highly qualified and a widely experienced technocrat having experience of over 43 years in the field of engineering, manufacturing operations, Research & Development/ Product Development activities etc., During this period under his stewardship, the Company has undertaken many challenging initiatives, implemented critical expansion programs and has enhanced manufacturing capabilities and capacities with the result that the Company's products find more and more acceptability, world over. |   |



## DIRECTORS' REPORT



Dear Members,

Your Directors have pleasure in presenting the 32nd Annual Report of the company along with audited financial statements for the financial year ended March 31, 2016. Consolidated performance of the company along with its JV's and its Associates has been referred to wherever required.

### FINANCIAL RESULTS:

(Rs. in Lacs)

| PARTICULARS   | Consolidated    | Standalone      |                 |
|---|-----------------|-----------------|-----------------|
|   | FY 2015-16      | FY 2015-16      | FY 2014-15      |
| Sales & Other income  | 11,640.42       | 10,654.91       | 10,162.22       |
| Exceptional Items- Expenses   | 20.16           | 20.19           | 103.91          |
| <b>Profit before Finance Cost, Depreciation and Tax</b>               | <b>1,444.12</b> | <b>1,408.62</b> | <b>1,479.92</b> |
| Finance Costs   | 442.72          | 389.90          | 319.84          |
| Depreciation  | 431.22          | 368.77          | 317.05          |
| <b>Profit before Tax</b>  | <b>570.18</b>   | <b>649.95</b>   | <b>843.03</b>   |
| <b>Less: Tax Expenses</b>   | <b>237.59</b>   | <b>238.51</b>   | <b>348.84</b>   |
| <b>Profit for the Year</b>  | <b>332.59</b>   | <b>411.44</b>   | <b>494.19</b>   |
| Balance brought forward from Previous Year                            | 2,211.75        | 3,365.97        | 2,971.78        |
| <b>Profit available for Appropriation</b>                             | <b>2,544.34</b> | <b>3,777.41</b> | <b>3,465.97</b> |
| <b>Appropriations:</b>  |                 |                 |                 |
| General Reserve   | 100.00          | 100             | 100.00          |
| Adjustment due to change in holding of Joint Venture during the year. | (86.64)         | -               | -               |
| Balance carried to Balance Sheet                                      | 2,530.98        | 3,677.41        | 3,365.97        |

### PER SHARE DATA

| PARTICULARS          | Consolidated | Standalone |            |
|----------------------|--------------|------------|------------|
|                      | FY 2015-16   | FY 2015-16 | FY 2014-15 |
| Basic EPS            | 1.73         | 2.14       | 2.57       |
| Book Value per share | 28.52        | 33.85      | 31.70      |

### COMPANY'S PERFORMANCE

**Consolidated performance:** The consolidated 'Sales and other income' of your company along with its JV's and Associates is Rs. 11,640.42 lacs during the Financial Year 2015-16. The Consolidated Profit before exceptional & extraordinary items and tax for the F Y 2015-16 is Rs. 590.34 lacs.

**Standalone performance:** Your Company has achieved 'Sales and other income' of Rs. 10,654.91 lacs during the Financial Year 2015-16 as compared to Rs. 10,162.22 lacs of the previous Financial Year 2014-15, thereby showing a growth of 4.85%.

Profit before exceptional & extraordinary items and tax for the Financial Year 2015-16 is Rs. 670.14 lacs against Rs. 946.94 lacs of previous year. The company has reported a net profit of Rs. 411.44 lacs against Rs. 494.19 lacs of previous year. Your Directors are confident of improved performance by the Company during financial year 2016-17.



## DIVIDEND

Keeping in view the requirements of the business, available growth potentials and for modernization/ automation of existing plant and machinery, the Board of Directors of your company have decided to plough back the profits and thus, not recommended any dividend for the financial year under review.

## TRANSFER TO RESERVE

The company has transferred a sum of Rs. 100.00 Lacs in the General Reserve out of the amount available for appropriations and an amount of Rs 3,677.41 lacs has been retained in the Profit & Loss Account.

## LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 02, 2015, issued SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing agreement for different segments of Capital markets to ensure better enforceability. The said regulations were effective from December 01, 2015. Accordingly all listed Companies were required to enter into the Listing Agreement within six months from the effective date. The Company entered into listing Agreement with the BSE on 09th February, 2016.

## EXPORTS

**Standalone:** Your Company exported goods to the tune of Rs. 4,062.40 lacs as against Rs. 3,999.17 lacs during previous financial year, despite general economic recession worldwide. The Company has been able to sustain exports turnover in spite of recession in countries like Brazil which has been a strong market for your company in the past many years.

## EXPANSION

Your company has been continuously working for the development of Bimetal/ Trimetals for use in Automobile / SMD's since last couple of years. The Company has attained TS1949 certification which qualifies it to enter as Tier 1 suppliers to Automotive Giants. Your directors are pleased to inform that your company has taken a major step towards the development of these resistors and commercialization of such products with some of the reputed customers is at advanced stage. Your company expects a good growth in this new product portfolio.

## JOINT VENTURE & ASSOCIATES

There has been a positive growth in the business of the Companies wherein your Company has a Joint Venture and/ or is associated with since the time of last report.

The Investment of your Company in Checon Shivalik Contact Solutions Private Limited (CSCS-a joint venture company) as on 31.03.2016 continues to be Rs. 221.45 Lacs (previous year Rs. 221.45 Lacs).

The Investment of your Company in Innovative Clad Solutions Private Ltd. (ICS-a joint venture company) as on 31.03.2016 continues to be Rs. 1,512.00 Lacs (previous year Rs. 1,512.00 Lacs).

The Investment of your Company in Shivalik Bimetal Engineers Pvt. Ltd. (SBEPL-an associate company) as on 31.03.2016 stands at Rs. 22.28 Lacs (previous year Rs. 22.28 Lacs).

During the year, the Board of Directors reviewed the affairs of the JV's & Associate. In accordance with section 129(3) of the Companies Act, 2013, your company is required to prepare consolidated financial statements which forms part of this Annual Report. Further, a statement containing the salient features of the Financial Statement of our Joint Ventures/ Associates in the prescribed format AOC-1 (Part -B) is appended as '**Annexure A**' to the Board's Report. The statement also provides the details of performance and financial positions of each of the Joint ventures/ Associate.

In accordance with section 136 of the Companies Act, 2013, the audited financial statement, includes the consolidated financial statements and related information of the company and audited accounts of each of the joint ventures & associate are available on our website <http://www.shivalikbimetals.com>. These documents shall be available for inspection during the business hours at the registered office of the company.



## **AWARDS, RECOGNITIONS AND CERTIFICATIONS**

During the year under review, your company obtained TUV Certification w.r.t. maintenance of quality management system in line with the standards prescribed w.r.t. manufacturing and supply of strips and components of thermostatic bimetals and other alloys. This certification was conferred in accordance with the TUV standard auditing and certification procedures and is subject to regular surveillance audits.

## **PUBLIC DEPOSITS**

During the year under review, your Company did not accept any public deposits from the public under section 73 of the Companies Act, 2013.

## **DIRECTORS**

In accordance with the requirements of Companies Act, 2013 and other applicable provisions, Mr. G. S. Gill (DIN: 00007393), non-executive director, is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

Subject to the approval of the Members in the forthcoming Annual General Meeting, and pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment(s) thereof, for the being in force), Mr. N. S. Ghuman was re-appointed as Managing Director of the Company for a period of five years w.e.f. 1st April, 2016 at a remuneration, perquisites and other terms and conditions, as approved by the Board in its meeting held on 9th February, 2016.

During the year under review, Mr. D.J.S. Sandhu, Deputy Managing Director resigned from the directorship of the Company due to health and personal reasons and ceased to be the Director of the Company w.e.f. 20th August, 2015. The Board expresses its sincere thanks to Mr. D.J.S. Sandhu for his valuable contribution made towards the company while working as a Deputy Managing Director.

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

SEBI (Listing obligations and disclosure requirements) regulations, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of Directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision Making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees effectiveness
- Peer evaluation

In terms of the provisions of the Companies Act, 2013 which provides that the Board has carried out the annual evaluation of its own performance, and of each of the directors individually, including the independent directors, as well as of the working of its committees, for the financial year 2015-16. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Directors being evaluated.

## **NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE**

During the year, five (5) Board Meetings and four (4) Audit Committee Meetings were convened and held. The details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.





## DECLARATION BY INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors u/s 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company believes in adopting the best practices of Corporate Governance. As per SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 (the Listing Regulations or Listing Agreements), the Report on Corporate Governance incorporating, a separate section on 'Management Discussion and Analysis Report' - which is part of the Directors' Report together with Auditors' Certificate regarding Compliance of Corporate Governance, is annexed herewith as '**Annexure- F & G**'.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

## AUDITORS

The Statutory Auditors, M/s Malik S & Co., Chartered Accountants (Registration No. 00383N), New Delhi, hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The certificate from the Auditors have been received to the effect that their re-appointment, if made, would be within the prescribed limit under section 141(3)(g) of the Companies Act, 2013.

## AUDITORS' REPORT

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

## SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s R Miglani & Co., Company Secretaries, New Delhi, to conduct the Secretarial Audit of your Company. The Secretarial Audit Report in form MR-3 for the financial year ended March 31, 2016 is annexed herewith as '**Annexure-D**' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## INTERNAL AUDIT

Pursuant to the Section 138 of the Companies Act, 2013, the Companies (Accounts) Rules, 2014 and other applicable provisions M/s. AMR & Co., Chartered Accountants, (Firm Registration No. 015422N) were appointed as Internal Auditors of the company for the FY. 2015-16.

M/s. Arora Gupta & Co, Chartered Accountants, (Firm Registration No. 021313C) has also been appointed as Internal Auditors of the company for the FY. 2016-17.

Internal Audit is regularly conducted to evaluate the adequacy and effectiveness of internal controls and overall risk management. Internal Audit is staffed by professionals with varied skills and expertise. The Audit committee of the board provides directions and monitors the effectiveness of the Internal Audit function.

## INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Board of your Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.





## EXTRACT OF ANNUAL RETURN

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

## TRANSACTIONS WITH RELATED PARTIES

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **'Annexure B'** in Form AOC-2 and the same forms part of this report.

The Board has adopted Related Party Transaction Policy for determining the materiality of related party transactions and also on the dealings with related parties. This Policy has been displayed on the Company's website at <http://www.shivalikbimetals.com/images/pdf/related-party-transaction-policy.pdf>.

## CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **'Annexure E'** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the corporate governance report, which forms part of this report. The policy is available on the website of the Company (URL: <http://www.shivalikbimetals.com>).

## RISK MANAGEMENT

Your Company had constituted a Risk Management Committee to oversee the risk management efforts in the Company. During the period under review, the Board in its meeting held on 9th February, 2016, dissolved the Risk Management Committee and transfer of its functions to Audit Committee. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

## WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013, erstwhile Clause 49 of the Listing Agreement and which is now substituted with SEBI Regulation 22 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and displayed on the Company's web link at <http://www.shivalikbimetals.com/images/pdf/wistle-blower-policy-sbcl.pdf>.

The policy provides for a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report, which forms part of this report.

## CREDIT RATING

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

| Facilities                            | Rating                                       |
|---------------------------------------|--|
| Long Term Bank Facilities             | CARE BBB (Triple B)                          |
| Short Term Bank Facilities            | CARE A 3+ (A Three Plus)                     |
| Long Term/ Short Term Bank Facilities | CARE BBB/ CARE A 3+ (Triple B/ A Three Plus) |



## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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

There were no complaints received during the Financial Year 2015-16.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on 31st March, 2016.;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **GENERAL SHAREHOLDER INFORMATION**

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

## **POLICIES RELATED TO 'CRITERIA FOR DETERMINING MATERIALITY OF EVENTS' AND 'PRESERVATION OF DOCUMENTS AND ARCHIVAL'**

Your Company seek to promote and follow the highest ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies.

As per the regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your Company have formulated the Policies under regulation 30 relates to 'CRITERIA FOR DETERMINING MATERIALITY OF EVENTS' and regulation 9 relates to 'PRESERVATION OF DOCUMENTS AND ARCHIVAL'

## **NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY**

The Board has, in compliance with Section 178 of the Companies Act, 2013 and SEBI Clause 49 of the Listing Agreement which is further revised by SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Regulation 19 of SEBI (LODR) Regulations, 2015 and other applicable provisions, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel, which is displayed at the Company website at <http://www.shivalikbimetals.com/images/pdf/nomination-and-remuneration-board-diversity-policy.pdf>.



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

In accordance with Section 178 of the Companies Act, 2013 read with the Rules issued thereunder, erstwhile Clause 49 of the Listing Agreement and which is now substituted with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your Company has formulated the Nomination and Remuneration & Board Diversity Policy. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters has been outlined in the Corporate Governance Report, which forms part of this Report.

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

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

Further, the Company has no person in its employment drawing salary of Rs. 60 lacs per annum or Rs. 5.00 lacs per month (Excluding whole-time Directors- details of whom are given hereunder) as defined under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) and 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

| Sr. No. | Name of Employee  | Designation/<br>Nature of Duties | Remuneration<br>(Rs. in lacs) | Qualification | Age (years) | Experience<br>(No. of years) | Date of<br>Commencement<br>of employment | Particulars<br>of previous<br>employment           |
|---------|---|----------------------------------|-------------------------------|---------------|-------------|------------------------------|--|--|
| 1       | 2   | 3                                | 4                             | 5             | 6           | 7                            | 8  | 9  |
| 1.      | Mr. S.S. Sandhu   | Chairman                         | 82.34                         | B.A. (Pass)   | 62          | 44                           | 01/09/1992                               | N.A.   |
| 2.      | Mr. N.S. Ghumman  | Managing Director                | 81.26                         | B.E. (Hons.)  | 65          | 43                           | 18/06/1984                               | M/s Tradex Gestion<br>SA General of<br>Switzerland |
| 3.      | Mr. D.J.S. Sandhu<br>(Resigned w.e.f. 20th<br>August, 2015) | Deputy<br>Managing<br>Director   | 26.85                         | B.Sc. (Hons.) | 58          | 38                           | 04/04/1996                               | N.A.   |

#### Notes:

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

#### Other Disclosure:-

- the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2015-16:

|              |                      |             |
|--------------|----------------------|-------------|
| S.S.Sandhu   | Chairman             | Median 1:43 |
| N.S.Ghumman  | Managing Director    | Median 1:42 |
| D.J.S.Sandhu | Dy Managing Director | Median 1:36 |

- the percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year 2015-16:

|                 |                      |        |
|-----------------|----------------------|--------|
| S.S.Sandhu      | Chairman             | Nil    |
| N.S.Ghumman     | Managing Director    | Nil    |
| D.J.S.Sandhu    | Dy Managing Director | Nil    |
| Mukesh Kr Verma | CFO                  | 10.43% |
| Ram Parvesh     | Company Secretary    | 22.47% |



(iii) the percentage increase in the median remuneration of employees in the financial year 2015-16 :

Median 11.42 %

(iv) the number of permanent employees on the rolls of company— 286 nos.

(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in the remuneration of all the employees excluding KMP's 9.32%

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

(vi) affirmation that the remuneration is as per the remuneration policy of the company.

Remuneration paid to Whole Time Directors is as per the remuneration policy of the company

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

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

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

(i) Some of the steps taken for conservation of energy are;

- Energy conservation continues to be area of emphasis and is regularly monitored in each manufacturing unit of the company.
- Recycling of process water to conserve natural resources.
- Installation of Fume extractors on the roof.
- Rain water harvesting.

(ii) The steps taken by the company for utilizing alternate sources of energy;

Installation of Transparent sheets on factory roof for using more & more natural light.

(iii) The capital investment on energy conservation equipment;

Rs 1.77 lacs.

### **(B) Technology absorption-**

(i) the efforts made towards technology absorption;

The objective of R&D facility is to develop new products and study the customer needs and suggest them quality solutions which are cost effective and competitive for existing products.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

Bimetal / Tri metals for use in Automobile, SMD resistors / Battery Management systems.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - N.A.

(a) The details of technology imported - N.A.

(b) The year of import- N.A.

(c) Whether the technology been fully absorbed- N.A.



(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; - N.A.

(iv) The expenditure incurred on Research and Development.

Rs. 17.62 lacs.

### **(C) Foreign exchange earnings and Outgo**

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

|  |                   |
|--|-------------------|
| Earnings in Foreign exchange             | Rs. 4,011.23 Lacs |
| Expenditure in Foreign currency          | Rs. 4,447.95 Lacs |
| Expenditure in Foreign currency on Capex | Rs. 30.72 Lacs    |

### **SIGNIFICANT/ MATERIAL ORDERS PASSED BY THE REGULATORS**

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

### **MATERIAL CHANGES AND COMMITMENTS**

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this 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 125 of the Companies Act, 2013. 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](mailto:info@masserv.com) or [investor@masserv.com](mailto:investor@masserv.com)



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 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/ APPRECIATION**

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

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

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

Place : New Delhi  
Date : August 11, 2016

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

### **Registered Office:**

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

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





## ANNEXURE "A"

### Form AOC-1

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

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

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

|   | Name of Joint Ventures/ Associates  | Joint Ventures                                    |   | Associate                                  |
|---|---|---|---|--|
|   |   | Checon Shivalik Contact Solutions Private Limited | Innovative Clad Solutions Private Limited | Shivalik Bimetal Engineers Private Limited |
| 1 | <b>Latest audited Balance Sheet Date</b>  | March 31, 2016                                    | March 31, 2016                            | March 31, 2016                             |
| 2 | <b>Date on which the Associate or Joint Venture was associated or acquired</b>    | 01/12/2005  | 15/02/2008                                | 10/03/2008                                 |
| 3 | <b>Shares of Associate/Joint Ventures held by the company on the year end</b>     |   |   |  |
|   | No.   | 17,10,900   | 1,51,20,000                               | 2,22,750                                   |
|   | Amount of Investment in Associates/Joint Venture (Rs. In Lacs)                    | 221.45  | 1,512.00                                  | 22.28                                      |
|   | Extend of Holding (%)   | 50%   | 16.01%                                    | 45%  |
| 4 | <b>Description of how there is significant influence</b>                          | 2(6)  | 2(6)                                      | 2(6)                                       |
| 5 | <b>Reason why the associate/joint venture is not consolidated</b>                 | Consolidated                                      | Consolidated                              | Consolidated                               |
| 6 | <b>Net worth attributable to shareholding as per latest audited Balance Sheet</b> | <b>(Rs. In Lacs)</b>                              |   |  |
|   |   | 531.18  | 2,315.65                                  | 99.32                                      |
| 7 | <b>Profit/Loss for the year</b>   | 8.25  | (554.68)                                  | 17.05                                      |
|   | Considered in Consolidation   | 4.12  | (88.81)                                   | 7.67                                       |
|   | Not Considered in Consolidation   | 4.12  | (465.87)                                  | 9.38                                       |

Sd/-  
Mukesh Verma  
Chief Financial officer

Sd/-  
Ram Pravesh  
Company Secretary

Sd/-  
N S Ghumman  
Director  
DIN : 00002052

Sd/-  
S S Sandhu  
Director  
DIN : 00002312

Place : New Delhi  
Date : August 11, 2016



## ANNEXURE “B”

### FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

#### Details of contracts or arrangements or transactions not at arm's length basis:

| (a) Name(s) of the related party and nature of relationship   | (b) Nature of contracts/ arrangements/ transactions | (c) Duration of contracts/ arrangements/ transactions | (d) Salient terms of the contracts or arrangements or Transactions including the value, if any | (e) Justification for entering into such contracts or arrangements or transactions | (f) date(s) of approval by the Board | (g) Amount paid as advances, if any: | (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|---|---|---|--|--|--------------------------------------|--------------------------------------|---|
| Not Applicable, there being no contracts or arrangements or transactions which are not at arm's length basis. |   |   |  |  |                                      |                                      |   |

#### Details of material contracts or arrangement or transactions at arm's length basis:

| (a) Name(s) of the related party and nature of relationship   | (b) Nature of contracts/ arrangements/ transactions | (c) Duration of contracts/ arrangements/ transactions | (d) Salient terms of the contracts or arrangements or transactions including the value, if any | (e) Date(s) of approval by the Board, if any | (f) Amount paid as advances, if any |
|---|---|---|--|--|-------------------------------------|
| Not Applicable, there being no material contract within meaning of relevant regulations pertaining to Related Party Transaction as contained in SEBI Listing regulations, 2015. |   |   |  |  |                                     |

Note:-Appropriate approvals have been taken for related party transactions.

For and on behalf of the Board of Directors

Sd/-  
S.S. Sandhu  
Chairman





## ANNEXURE “C”

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

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

#### I. REGISTRATION & OTHER DETAILS:

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

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

| S. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|--------|--|-----------------------------------|------------------------------------|
| 1      | Thermostatic Bi-metal/Tri-metal Strips & Parts   | 24204                             | 84.01%                             |
| 2      | Shunt (Resisters)                                | 24201                             | 14.09%                             |
| 3      | Job work for Indian Ordinance                    | 24209                             | 1.90%                              |



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

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

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

#### Category-wise Share Holding

| Category of Shareholders  | No. of Shares held at the beginning of the year |          |                 |                   | No. of Shares held at the end of the year |          |                 |                   | % Change during the year |
|---------------------------|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
|                           | Demat   | Physical | Total           | % of Total Shares | Demat                                     | Physical | Total           | % of Total Shares |                          |
| <b>A. Promoter s</b>      |   |          |                 |                   |   |          |                 |                   |                          |
| (1) Indian                |   |          |                 |                   |   |          |                 |                   |                          |
| a) Individual/ HUF        | 3929000   | 0        | 3929000         | 20.462            | 3929000                                   | 0        | 3929000         | 20.462            | 0.000                    |
| b) Central Govt           | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| c) State Govt(s)          | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| d) Bodies Corp.           | 7953134   | 0        | 7953134         | 41.420            | 7953134                                   | 0        | 7953134         | 41.420            | 0.000                    |
| e) Banks / FI             | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| f) Any other              | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| <b>Sub-total (A)(1):-</b> | <b>11882134</b>                                 | <b>0</b> | <b>11882134</b> | <b>61.882</b>     | <b>11882134</b>                           | <b>0</b> | <b>11882134</b> | <b>61.882</b>     | <b>0.000</b>             |
| <b>(2) Foreign</b>        |   |          |                 |                   |   |          |                 |                   |                          |
| g) NRIs-Individuals       | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| h) Other-Individuals      | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| i) Bodies Corp.           | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| j) Banks / FI             | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| k) Any other              | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |



| Category of Shareholders   | No. of Shares held at the beginning of the year |          |                 |                   | No. of Shares held at the end of the year |          |                 |                   | % Change during the year |
|--|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
|  | Demat   | Physical | Total           | % of Total Shares | Demat                                     | Physical | Total           | % of Total Shares |                          |
| <b>Sub-total (A)(2):-</b>  | <b>0</b>  | <b>0</b> | <b>0</b>        | <b>0.000</b>      | <b>0</b>                                  | <b>0</b> | <b>0</b>        | <b>0.000</b>      | <b>0.000</b>             |
| <b>Total shareholding of Promoter (A)</b>  | <b>11882134</b>                                 | <b>0</b> | <b>11882134</b> | <b>61.882</b>     | <b>11882134</b>                           | <b>0</b> | <b>11882134</b> | <b>61.882</b>     | <b>0.000</b>             |
| <b>B. Public Shareholding</b>  |   |          |                 |                   |   |          |                 |                   |                          |
| <b>1. Institutions</b>   |   |          |                 |                   |   |          |                 |                   |                          |
| a) Mutual Funds  | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| b) Banks / FI  | 1000  | 0        | 1000            | 0.005             | 1000                                      | 0        | 1000            | 0.005             | 0.000                    |
| c) Central Govt  | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| d) State Govt(s)   | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| e) Venture Capital Funds   | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| f) Insurance Companies   | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| g) FIIs  | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| h) Foreign Venture Capital Funds   | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| i) Others (specify)  | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| <b>Sub-total (B)(1):-</b>  | <b>1000</b>                                     | <b>0</b> | <b>1000</b>     | <b>0.005</b>      | <b>1000</b>                               | <b>0</b> | <b>1000</b>     | <b>0.005</b>      | <b>0.000</b>             |
| <b>2. Non-Institutions</b>   |   |          |                 |                   |   |          |                 |                   |                          |
| a) Bodies Corp.  |   |          |                 |                   |   |          |                 |                   |                          |
| i) Indian  | 445366  | 6001     | 451367          | 2.351             | 232178                                    | 5001     | 237179          | 1.235             | -1.115                   |
| ii) Overseas   | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| b) Individuals   |   |          |                 | 0.000             |   |          |                 |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 4853670   | 917800   | 5771470         | 30.058            | 4809383                                   | 884800   | 5694183         | 29.655            | -0.403                   |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 993813  | 0        | 993813          | 5.176             | 1096925                                   | 0        | 1096925         | 5.713             | 0.537                    |
| c) Others (specify)  | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| Non Resident Indians   |   |          | 0               | 0.000             |   |          | 0               | 0.000             | 0.000                    |
| Overseas Corporate Bodies  | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| Foreign Nationals  | 0   | 0        | 0               | 0.000             | 0   | 0        | 0               | 0.000             | 0.000                    |
| Clearing Members   | 43547   | 0        | 43547           | 0.227             | 245483                                    | 0        | 245483          | 1.278             | 1.052                    |
| Trusts   | 0   | 0        | 0               | 0.000             | 1000                                      | 0        | 1000            | 0.005             | 0.005                    |
| <b>Foreign Bodies - D R</b>  | <b>0</b>  | <b>0</b> | <b>0</b>        | <b>0.000</b>      | <b>0</b>                                  | <b>0</b> | <b>0</b>        | <b>0.000</b>      | <b>0.000</b>             |



| Category of Shareholders                                | No. of Shares held at the beginning of the year |               |                 |                   | No. of Shares held at the end of the year |               |                 |                   | % Change during the year |
|---|---|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
|   | Demat   | Physical      | Total           | % of Total Shares | Demat                                     | Physical      | Total           | % of Total Shares |                          |
| <b>Sub-total (B)(2):-</b>                               | <b>6394465</b>                                  | <b>923801</b> | <b>7318266</b>  | <b>38.113</b>     | <b>6428465</b>                            | <b>889801</b> | <b>7318266</b>  | <b>38.113</b>     | <b>0.000</b>             |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>     | 6395465   | 923801        | 7319266         | 38.118            | 6429465                                   | 889801        | 7319266         | 38.118            | 0.000                    |
| <b>(C) Shares held by Custodian for GDRs &amp; ADRs</b> | <b>0</b>  | <b>0</b>      | <b>0</b>        | <b>0.000</b>      | <b>0</b>                                  | <b>0</b>      | <b>0</b>        | <b>0.000</b>      | <b>0.000</b>             |
| <b>Grand Total (A+B+C)</b>                              | <b>18277599</b>                                 | <b>923801</b> | <b>19201400</b> | <b>100.000</b>    | <b>18311599</b>                           | <b>889801</b> | <b>19201400</b> | <b>100.000</b>    | <b>0.000</b>             |

## B) Shareholding of Promoter-

| SN | Shareholder's Name                   | Shareholding at the beginning of the year |                                  |   | Shareholding at the end of the year |                                  |   | % change in shareholding during the year |
|----|--------------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--|
|    |                                      | No. of Shares                             | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | %of Shares Pledged / encumbered to total shares |  |
| 1  | MR. S. S. SANDHU                     | 288000                                    | 1.500                            | 0   | 288000                              | 1.500                            | 0   | 0.000                                    |
| 2  | MR. D. J. S. SANDHU                  | 101000                                    | 0.526                            | 0   | 101000                              | 0.526                            | 0   | 0.000                                    |
| 3  | MR. N. S. GHUMMAN                    | 1465000                                   | 7.630                            | 0   | 1465000                             | 7.630                            | 0   | 0.000                                    |
| 4  | MANJIT KAUR                          | 585000                                    | 3.047                            | 0   | 585000                              | 3.047                            | 0   | 0.000                                    |
| 5  | SHANA GHUMMAN                        | 12000                                     | 0.062                            | 0   | 12000                               | 0.062                            | 0   | 0.000                                    |
| 6  | GURDIAL KAUR                         | 32000                                     | 0.167                            | 0   | 32000                               | 0.167                            | 0   | 0.000                                    |
| 7  | TEJINDERJEET KAUR GHUMMAN            | 296000                                    | 1.542                            | 0   | 296000                              | 1.542                            | 0   | 0.000                                    |
| 8  | SARITA SANDHU                        | 666000                                    | 3.468                            | 0   | 666000                              | 3.468                            | 0   | 0.000                                    |
| 9  | GURBIR SANDHU                        | 323000                                    | 1.682                            | 0   | 323000                              | 1.682                            | 0   | 0.000                                    |
| 10 | ANGAD SANDHU                         | 152000                                    | 0.792                            | 0   | 152000                              | 0.792                            | 0   | 0.000                                    |
| 11 | JASPAL SINGH DHILLON                 | 2000                                      | 0.010                            | 0   | 2000                                | 0.010                            | 0   | 0.000                                    |
| 12 | JIT MOHINDER SINGH                   | 6000                                      | 0.031                            | 0   | 6000                                | 0.031                            | 0   | 0.000                                    |
| 13 | SUMER GHUMMAN                        | 1000                                      | 0.005                            | 0   | 1000                                | 0.005                            | 0   | 0.000                                    |
| 14 | O D FINANCE AND INVESTMENT PVT. LTD. | 1536989                                   | 8.005                            | 0   | 1536989                             | 8.005                            | 0   | 0.000                                    |



| SN | Shareholder's Name                   | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|----|--------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|    |                                      | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 15 | ULTRA PORTFOLIO MANAGEMENT PVT. LTD. | 978590                                    | 5.096                            | 0  | 978590                              | 5.096                            | 0  | 0.000                                    |
| 16 | TSL HOLDINGS LIMITED                 | 2790200                                   | 14.531                           | 0  | 2790200                             | 14.531                           | 0  | 0.000                                    |
| 17 | B.S.SANDHU AND ASSOCIATES PVT. LTD.  | 285200                                    | 1.485                            | 0  | 285200                              | 1.485                            | 0  | 0.000                                    |
| 18 | ANGAD ESTATES PVT. LTD.              | 1655000                                   | 8.619                            | 0  | 1655000                             | 8.619                            | 0  | 0.000                                    |
| 19 | AMAR ENGINEERING COMPANY PVT. LTD.   | 707155                                    | 3.683                            | 0  | 707155                              | 3.683                            | 0  | 0.000                                    |
|    | <b>Total</b>                         | <b>11882134</b>                           | <b>61.880</b>                    | <b>0</b>   | <b>11882134</b>                     | <b>61.880</b>                    | <b>0</b>   | <b>0.000</b>                             |

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

| SN                                   | Particulars | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------------------------------------|-------------|---|----------------------------------|---|----------------------------------|
|                                      |             | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| No change in Promoters' Shareholding |             |   |                                  |   |                                  |

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

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

| S. No. | Name of Shareholder     | Date       | Shareholding at the beginning of the year |                                  | Sold | Buy | Cumulative Shareholding during the year |                                  |
|--------|-------------------------|------------|---|----------------------------------|------|-----|---|----------------------------------|
|        |                         |            | No. of shares                             | % of total shares of the company |      |     | No. of shares                           | % of total shares of the company |
| 1      | LINCOLN P COELHO        | 31-03-2015 | 200000                                    | 1.042                            |      |     | 200000                                  | 1.042                            |
|        |                         | 31-03-2016 |   |                                  |      |     | 200000                                  | 1.042                            |
| 2      | BHAVNA GOVINDBHAI DESAI | 31-03-2015 | 191500                                    | 0.997                            |      |     | 191500                                  | 0.997                            |
|        |                         | 04-03-2016 |   |                                  | 3875 |     | 187625                                  | 0.977                            |
|        |                         | 11-03-2016 |   |                                  | 2059 |     | 185566                                  | 0.966                            |
|        |                         | 18-03-2016 |   |                                  | 2000 |     | 183566                                  | 0.956                            |
|        |                         | 31-03-2016 |   |                                  |      |     | 183566                                  | 0.956                            |



| S. No. | Name of Shareholder          | Date       | Shareholding at the beginning of the year |                                  | Sold  | Buy  | Cumulative Shareholding during the year |                                  |
|--------|------------------------------|------------|---|----------------------------------|-------|------|---|----------------------------------|
|        |                              |            | No. of shares                             | % of total shares of the company |       |      | No. of shares                           | % of total shares of the company |
| 3      | ANGEL FINCAP PRIVATE LIMITED | 31-03-2015 | 171880                                    | 0.895                            |       |      | 171880                                  | 0.895                            |
|        |                              | 10-04-2015 |   |                                  |       | 375  | 172255                                  | 0.897                            |
|        |                              | 17-04-2015 |   |                                  |       | 1886 | 174141                                  | 0.907                            |
|        |                              | 24-04-2015 |   |                                  | 571   |      | 173570                                  | 0.904                            |
|        |                              | 01-05-2015 |   |                                  |       | 1100 | 174670                                  | 0.910                            |
|        |                              | 08-05-2015 |   |                                  | 1545  |      | 173125                                  | 0.902                            |
|        |                              | 15-05-2015 |   |                                  | 34    |      | 173091                                  | 0.901                            |
|        |                              | 29-05-2015 |   |                                  | 37270 |      | 135821                                  | 0.707                            |
|        |                              | 05-06-2015 |   |                                  | 1990  |      | 133831                                  | 0.697                            |
|        |                              | 12-06-2015 |   |                                  | 9361  |      | 124470                                  | 0.648                            |
|        |                              | 19-06-2015 |   |                                  | 1500  |      | 122970                                  | 0.640                            |
|        |                              | 26-06-2015 |   |                                  | 400   |      | 122570                                  | 0.638                            |
|        |                              | 30-06-2015 |   |                                  |       | 500  | 123070                                  | 0.641                            |
|        |                              | 10-07-2015 |   |                                  |       | 1200 | 124270                                  | 0.647                            |
|        |                              | 24-07-2015 |   |                                  | 50    |      | 124220                                  | 0.647                            |
|        |                              | 31-07-2015 |   |                                  |       | 500  | 124720                                  | 0.650                            |
|        |                              | 14-08-2015 |   |                                  |       | 1661 | 126381                                  | 0.658                            |
|        |                              | 28-08-2015 |   |                                  |       | 50   | 126431                                  | 0.658                            |
|        |                              | 04-09-2015 |   |                                  |       | 445  | 126876                                  | 0.661                            |
|        |                              | 11-09-2015 |   |                                  | 1400  |      | 125476                                  | 0.653                            |
|        |                              | 16-09-2015 |   |                                  | 800   |      | 124676                                  | 0.649                            |
|        |                              | 09-10-2015 |   |                                  |       | 621  | 125297                                  | 0.653                            |
|        |                              | 16-10-2015 |   |                                  |       | 2273 | 127570                                  | 0.664                            |
|        |                              | 23-10-2015 |   |                                  |       | 3187 | 130757                                  | 0.681                            |
|        |                              | 30-10-2015 |   |                                  |       | 2206 | 132963                                  | 0.692                            |
|        |                              | 06-11-2015 |   |                                  |       | 130  | 133093                                  | 0.693                            |
|        |                              | 13-11-2015 |   |                                  |       | 2300 | 135393                                  | 0.705                            |
|        |                              | 20-11-2015 |   |                                  |       | 150  | 135543                                  | 0.706                            |
|        |                              | 27-11-2015 |   |                                  |       | 1138 | 136681                                  | 0.712                            |
|        |                              | 04-12-2015 |   |                                  |       | 2244 | 138925                                  | 0.724                            |
|        |                              | 11-12-2015 |   |                                  |       | 2390 | 141315                                  | 0.736                            |
|        |                              | 18-12-2015 |   |                                  |       | 550  | 141865                                  | 0.739                            |
|        |                              | 25-12-2015 |   |                                  |       | 7    | 141872                                  | 0.739                            |
|        |                              | 31-12-2015 |   |                                  |       | 1950 | 143822                                  | 0.749                            |
|        |                              | 15-01-2016 |   |                                  |       | 500  | 144322                                  | 0.752                            |
|        |                              | 05-02-2016 |   |                                  |       | 500  | 144822                                  | 0.754                            |
|        |                              | 18-03-2016 |   |                                  | 1945  |      | 142877                                  | 0.744                            |



| S. No. | Name of Shareholder       | Date       | Shareholding at the beginning of the year |                                  | Sold  | Buy   | Cumulative Shareholding during the year |                                  |
|--------|---------------------------|------------|---|----------------------------------|-------|-------|---|----------------------------------|
|        |                           |            | No. of shares                             | % of total shares of the company |       |       | No. of shares                           | % of total shares of the company |
|        |                           | 31-03-2016 |   |                                  |       | 2201  | 145078                                  | 0.756                            |
| 4      | BHARATI BHARAT DATTANI    | 31-03-2015 | 105991                                    | 0.552                            |       |       | 105991                                  | 0.552                            |
|        |                           | 20-11-2015 |   |                                  |       | 9934  | 115925                                  | 0.604                            |
|        |                           | 31-03-2016 |   |                                  |       |       | 115925                                  | 0.604                            |
| 5      | SUNIL KUMAR GUPTA         | 31-03-2015 | 90000                                     | 0.469                            |       |       | 90000                                   | 0.469                            |
|        |                           | 31-03-2016 |   |                                  |       |       | 90000                                   | 0.469                            |
| 6      | VANDANA DANI              | 31-03-2015 | 84268                                     | 0.439                            |       |       | 84268                                   | 0.439                            |
|        |                           | 24-04-2015 |   |                                  | 4000  |       | 80268                                   | 0.418                            |
|        |                           | 08-05-2015 |   |                                  |       | 1030  | 81298                                   | 0.423                            |
|        |                           | 15-05-2015 |   |                                  |       | 4502  | 85800                                   | 0.447                            |
|        |                           | 17-07-2015 |   |                                  |       | 400   | 86200                                   | 0.449                            |
|        |                           | 08-01-2016 |   |                                  |       | 4125  | 90325                                   | 0.470                            |
|        |                           | 31-03-2016 |   |                                  |       |       | 90325                                   | 0.470                            |
| 7      | BHARAT JAMNADAS DATTANI   | 31-03-2015 | 75627                                     | 0.394                            |       |       | 75627                                   | 0.394                            |
|        |                           | 20-11-2015 |   |                                  |       | 11330 | 86957                                   | 0.453                            |
|        |                           | 31-03-2016 |   |                                  |       |       | 86957                                   | 0.453                            |
| 8      | KAUSHAL HITESH PATEL      | 31-03-2015 | 70736                                     | 0.368                            |       |       | 70736                                   | 0.368                            |
|        |                           | 26-06-2015 | 736                                       |                                  | 70000 |       | 736                                     | 0.004                            |
|        |                           | 31-03-2016 | 736                                       |                                  |       |       | 736                                     | 0.004                            |
| 9      | BHAVANA GOVINDB-HAI DESAI | 31-03-2015 | 60500                                     | 0.315                            |       |       | 60500                                   | 0.315                            |
|        |                           | 31-03-2016 | 60500                                     |                                  |       |       | 60500                                   | 0.315                            |
| 10     | BHARAT JAMNADAS           | 31-03-2015 | 60191                                     | 0.313                            |       |       | 60191                                   | 0.313                            |
|        |                           | 22-01-2016 |   |                                  |       | 11000 | 71191                                   | 0.371                            |
|        |                           | 31-03-2016 |   |                                  |       |       | 71191                                   | 0.371                            |
| 11     | DILIP MANILAL PATEL       | 31-03-2015 | 1176                                      | 0.006                            |       |       | 1176                                    | 0.006                            |
|        |                           | 03-04-2015 |   |                                  | 500   |       | 676                                     | 0.004                            |
|        |                           | 10-04-2015 |   |                                  | 500   |       | 176                                     | 0.001                            |
|        |                           | 26-06-2015 |   |                                  |       | 70000 | 70176                                   | 0.365                            |
|        |                           | 28-08-2015 |   |                                  |       | 300   | 70476                                   | 0.367                            |
|        |                           | 30-10-2015 |   |                                  | 100   |       | 70376                                   | 0.367                            |
|        |                           | 13-11-2015 |   |                                  |       | 100   | 70476                                   | 0.367                            |
|        |                           | 27-11-2015 |   |                                  | 100   |       | 70376                                   | 0.367                            |
|        |                           | 18-12-2015 |   |                                  |       | 200   | 70576                                   | 0.368                            |



| S. No. | Name of Shareholder | Date       | Shareholding at the beginning of the year |                                  | Sold | Buy  | Cumulative Shareholding during the year |                                  |
|--------|---------------------|------------|---|----------------------------------|------|------|---|----------------------------------|
|        |                     |            | No. of shares                             | % of total shares of the company |      |      | No. of shares                           | % of total shares of the company |
|        |                     | 25-12-2015 |   |                                  | 200  |      | 70376                                   | 0.367                            |
|        |                     | 31-03-2016 |   |                                  |      |      | 70376                                   | 0.367                            |
| 12     | JATIN DANI          | 31-03-2015 | 29650                                     | 0.154                            |      |      | 29650                                   | 0.154                            |
|        |                     | 10-04-2015 | 31750                                     |                                  |      | 2100 | 31750                                   | 0.165                            |
|        |                     | 08-05-2015 | 32600                                     |                                  |      | 850  | 32600                                   | 0.170                            |
|        |                     | 15-05-2015 | 42100                                     |                                  |      | 9500 | 42100                                   | 0.219                            |
|        |                     | 22-05-2015 | 42410                                     |                                  |      | 310  | 42410                                   | 0.221                            |
|        |                     | 29-05-2015 | 43520                                     |                                  |      | 1110 | 43520                                   | 0.227                            |
|        |                     | 05-06-2015 | 44150                                     |                                  |      | 630  | 44150                                   | 0.230                            |
|        |                     | 12-06-2015 | 51402                                     |                                  |      | 7252 | 51402                                   | 0.268                            |
|        |                     | 19-06-2015 | 52497                                     |                                  |      | 1095 | 52497                                   | 0.273                            |
|        |                     | 26-06-2015 | 62431                                     |                                  |      | 9934 | 62431                                   | 0.325                            |
|        |                     | 24-07-2015 | 62700                                     |                                  |      | 269  | 62700                                   | 0.327                            |
|        |                     | 31-07-2015 | 64601                                     |                                  |      | 1901 | 64601                                   | 0.336                            |
|        |                     | 07-08-2015 | 71850                                     |                                  |      | 7249 | 71850                                   | 0.374                            |
|        |                     | 06-11-2015 | 72051                                     |                                  |      | 201  | 72051                                   | 0.375                            |
|        |                     | 11-12-2015 | 68626                                     |                                  | 3425 |      | 68626                                   | 0.357                            |
|        |                     | 15-01-2016 | 68639                                     |                                  |      | 13   | 68639                                   | 0.357                            |
|        |                     | 22-01-2016 | 68776                                     |                                  |      | 137  | 68776                                   | 0.358                            |
|        |                     | 31-03-2016 | 68776                                     |                                  |      |      | 68776                                   | 0.358                            |

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

| S.N. | Shareholding of each Directors and each Key Managerial Personnel   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the Year |                                  |
|------|--|---|----------------------------------|---|----------------------------------|
|      |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1    | <b>Mr. S. S. Sandhu</b>  |   |                                  |   |                                  |
|      | At the beginning of the year   | 288000                                    | 1.50                             | 288000                                  | 1.50                             |
|      | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | 0   | 0                                | 0                                       | 0                                |
|      | At the end of the year   | 288000                                    | 1.50                             | 288000                                  | 1.50                             |



|    |  |         |      |         |      |
|----|--|---------|------|---------|------|
| 2. | <b>Mr. N. S. Ghumman</b>   |         |      |         |      |
|    | At the beginning of the year   | 1465000 | 7.63 | 1465000 | 7.63 |
|    | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | 0       | 0    | 0       | 0    |
|    | At the end of the year   | 1465000 | 7.63 | 1465000 | 7.63 |
| 3. | <b>*Mr. D. J. S. Sandhu</b>  |         |      |         |      |
|    | At the beginning of the year   | 101000  | 0.53 | 101000  | 0.53 |
|    | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | 0       | 0    | 0       | 0    |
|    | At the end of the year   | 101000  | 0.53 | 101000  | 0.53 |

\*Mr. D.J.S. Sandhu has resigned from the Directorship of the Company w.e.f. 20th August, 2015.

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

(₹ in 000)

|  | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|--|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                       |
| i) Principal Amount  | 3,86,114.89                         | 54,501.09          | -        | 4,40,615.98           |
| ii) Interest due but not paid                              | 690.76                              | 151.78             | -        | 842.54                |
| iii) Interest accrued but not due                          | 504.14                              | 183.40             | -        | 687.54                |
| <b>Total (i+ii+iii)</b>                                    | <b>3,87,309.79</b>                  | <b>54,836.27</b>   | <b>-</b> | <b>4,42,146.06</b>    |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |          |                       |
| * Addition   | 39,715.37                           | 149.90             | -        | 39,865.27             |
| * Reduction  | 45,106.97                           | 11,028.24          | -        | 56,135.21             |
| <b>Net Change</b>  | <b>(5,391.60)</b>                   | <b>(10,878.34)</b> | <b>-</b> | <b>(16,269.94)</b>    |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |          |                       |
| i) Principal Amount  | 3,80,946.87                         | 43,808.04          | -        | 4,24,754.91           |
| ii) Interest due but not paid                              | 424.72                              | -                  | -        | 424.72                |
| iii) Interest accrued but not due                          | 546.59                              | 149.90             | -        | 696.49                |
| <b>Total (i+ii+iii)</b>                                    | <b>3,81,918.18</b>                  | <b>43,957.94</b>   | <b>-</b> | <b>4,25,876.12</b>    |

- Addition and reduction includes an amount of ₹1121.21 thousands and ₹1530.07 thousands respectively towards the interest accrued but due/not due..



## VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in 000)

| SN. | Particulars of Remuneration   | Name of MD/WTD/ Manager |                  |                    | Total Amount |
|-----|---|-------------------------|------------------|--------------------|--------------|
|     |   | Mr. S.S. Sandhu         | Mr. N.S. Ghumman | *Mr. D.J.S. Sandhu |              |
| 1   | Gross salary  |                         |                  |                    |              |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 7,478.40                | 7,478.40         | 2,452.65           | 17,409.45    |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 755.32                  | 647.80           | 231.93             | 1,635.05     |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                       | -                | -                  | -            |
| 2   | Stock Option  | -                       | -                | -                  | -            |
| 3   | Sweat Equity  | -                       | -                | -                  | -            |
| 4   | Commission<br>- as % of profit<br>- others, specify                                 | -                       | -                | -                  | -            |
| 5   | Others, please specify  | -                       | -                | -                  | -            |
|     | Total (A)   | 8,233.72                | 8,126.20         | 2,684.58           | 19,044.50    |
|     | Ceiling as per the Act  | 8400.00                 | 8400.00          | 8400.00            |              |

\*Mr. D.J.S. Sandhu has ceased to be a Director w.e.f. 20th August, 2015.

### B. Remuneration to other directors

(Amount in ₹)

| SN. | Particulars of Remuneration                | Name of Directors |                |                   |                                 |                          |                    | Total Amount |
|-----|--|-------------------|----------------|-------------------|---------------------------------|--------------------------|--------------------|--------------|
|     |  | Mr. Rohit Kapur   | Mr. G. S. Gill | Mr. N. J. S. Gill | Lt. Gen. Pradeep Khanna (Retd.) | Capt. J. S. Mann (Retd.) | Mrs. Harpreet Kaur |              |
| 1   | Independent Directors                      | -                 | -              | -                 | -                               | -                        | -                  | -            |
|     | Fee for attending board committee meetings | 6000              | 10000          | 8000              | 6000                            | 4000                     | 10000              | 44000        |
|     | Commission                                 | -                 | -              | -                 | -                               | -                        | -                  | -            |
|     | Others, please specify                     | -                 | -              | -                 | -                               | -                        | -                  | -            |
|     | Total (1)                                  | 6000              | 10000          | 8000              | 6000                            | 4000                     | 10000              | 44000        |
| 2   | Other Non-Executive Directors              | -                 | -              | -                 | -                               | -                        | -                  | -            |
|     | Fee for attending board committee meetings | -                 | -              | -                 | -                               | -                        | -                  | -            |
|     | Commission                                 | -                 | -              | -                 | -                               | -                        | -                  | -            |
|     | Others, please specify                     | -                 | -              | -                 | -                               | -                        | -                  | -            |
|     | Total (2)                                  | -                 | -              | -                 | -                               | -                        | -                  | -            |



| SN. | Particulars of Remuneration    | Name of Directors       |                         |                         |                                 |                          |                         | Total Amount            |
|-----|--------------------------------|-------------------------|-------------------------|-------------------------|---------------------------------|--------------------------|-------------------------|-------------------------|
|     |                                | Mr. Rohit Kapur         | Mr. G. S. Gill          | Mr. N. J. S. Gill       | Lt. Gen. Pradeep Khanna (Retd.) | Capt. J. S. Mann (Retd.) | Mrs. Harpreet Kaur      |                         |
|     | Total (B) = (1 + 2)            | 6000                    | 10000                   | 8000                    | 6000                            | 4000                     | 10000                   | 44000                   |
|     | Total Managerial Remuneration  | 6000                    | 10000                   | 8000                    | 6000                            | 4000                     | 10000                   | 44000                   |
|     | Overall Ceiling as per the Act | Within Statutory Limits | Within Statutory Limits | Within Statutory Limits | Within Statutory Limits         | Within Statutory Limits  | Within Statutory Limits | Within Statutory Limits |

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

| SN | Particulars of Remuneration   | Key Managerial Personnel |                 |                  |                  |
|----|---|--------------------------|-----------------|------------------|------------------|
|    |   | CEO                      | CS              | CFO              | Total            |
| 1  | Gross salary  | NA                       |                 |                  |                  |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | NA                       | 5,99,321        | 16,91,593        | 22,90,914        |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | NA                       | 48,840          | 1,66,622         | 2,15,462         |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                          |                 |                  |                  |
| 2  | Stock Option  | NA                       | Nil             | Nil              | Nil              |
| 3  | Sweat Equity  | NA                       | Nil             | Nil              | Nil              |
| 4  | Commission  | NA                       | Nil             | Nil              | Nil              |
|    | - as % of profit  | NA                       | Nil             | Nil              | Nil              |
|    | others, specify...  | NA                       | Nil             | Nil              | Nil              |
| 5  | Others, please specify-Contribution to G. Trust                                     | NA                       | 10,681          | 79,199           | 89,880           |
|    | <b>Total</b>  |                          | <b>6,58,842</b> | <b>19,37,414</b> | <b>25,96,256</b> |

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

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   | <b>Not Applicable</b>                                     |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             |                              |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |



## ANNEXURE “D”

### Form No. MR-3

### Secretarial Audit Report

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

FOR THE FINANCIAL YEAR ENDED on 31st March, 2016

To,

The Members,

**SHIVALIK BIMETAL CONTROLS LIMITED**  
**16-18, NEW ELECTRONICS COMPLEX, CHAMBAGHAT**  
**DISTT. SOLAN, HIMACHAL PRADESH-173213**

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

#### Management Responsibility on Secretarial compliances

The Company's management is responsible for preparation and maintenance of the secretarial records and maintain the effective mechanism to ensure that the legal and procedural requirements are duly complied with for the sake of strengthening the image and goodwill of a Company in the minds of regulators and stakeholders.

#### Auditor's Responsibility

Auditor's responsibility is to express the opinion on the secretarial records and to check the compliance with the provisions of all applicable laws and rules/regulations/procedures; adherence to good governance practices followed by the Company. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

#### Opinion

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2016 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder, as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- i. The Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

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

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

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, requiring compliance thereof by the Company during the financial year.

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

**I further report that;**

1. The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.
2. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
3. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent with in prescribed limit, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**For R MIGLANI & CO**  
Company Secretaries

Sd/-

CS Rajni Miglani  
Proprietor

Place : New Delhi  
Date : 30th May, 2016

ACS: 30016; CP No: 11273



## ANNEXURE “E”

### TO DIRECTORS’ REPORT - ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

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

Pursuant to Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors have constituted a CSR Committee. The Board also framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013. The said policy is placed on the website and is available on the following weblink: <http://www.shivalikbimetals.com/images/pdf/sbcl-csr-policy.pdf>

The main objective of SHIVALIK’s CSR Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company. According to CSR Policy, the Company may undertake any of the Activities/Projects, enumerated in Schedule VII of the Act, 2013 or as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”).

In line with CSR Policy and in accordance with Schedule VII to the Act, during FY 2015-16, SHIVALIK has concentrated and undertaken various activities in the following sectors.

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Training to promote rural sports, nationally recognized sports, Paralympic and Olympic sports;
- (iv) Contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- (v) Rural development projects etc.

The Company has undertaken the above CSR activities directly and also through registered trust or registered society and other permissible entities.

#### 2. Composition of the CSR Committee :-

The CSR Committee comprises of the following directors :-

- (i) Mr. S. S. Sandhu, Chairman;
- (ii) Mr. N.S. Ghumman and
- (iii) Mrs. Harpreet Kaur.

#### 3. Average net profit of the Company for last three financial years :-

Rs. 5.25 Crores

#### 4. Prescribed CSR Expenditure :-

The Company was required to spend Rs. 10.50 lacs towards CSR.

## 5. Details of CSR spend for the financial year :-

(a) Total amount spent during the financial year:- Rs. 10.60 lacs.

(b) Manner in which the amount spent during the financial year is detailed below. –

| (1)   | (2)   | (3)  | (4)   | (5)   | (6)   | (7)   | (8)   |
|-------|---|--|---|---|---|---|---|
| S. No | CSR project or activity identified  | Sector in which the Project is covered                         | Projects or programs<br>(1) Local area or other<br>(2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs<br>Sub – heads:<br>(1) Direct expenditure on projects or programs<br>(2) Overheads | Cumulative expenditure upto to the reporting period | Amount spent : Direct or through implementing agency*   |
| 1     | Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports & development of sports for persons with intellectual disabilities                                  | Sports and allied activities                                   | All across India  | Rs. 50,000                                      | Rs. 50,000  | Rs. 50,000  | Amount spent through “SPECIAL OLYMPIC BHARAT” an NGO, registered under Indian Trust Act, 2001 |
| 2     | Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water; taking care of disabled children                          | Preventive health care & care of disabled children             | “DIVINE LIGHT TRUST”, an NGO, Missouri.   | Rs. 2,50,000                                    | Rs. 2,50,000  | Rs. 2,50,000  | Amount spent through DIVINE LIGHT TRUST”, an NGO  |
| 3     | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Education (upgradation of Science Labs with latest equipments) | Govt. Sr. Sec. School, NUH (Mewat)  | Rs. 1,75,000                                    | Rs. 175000  | Rs. 1,75,000  | Amount spent through, Govt. Sr. Sec. School, NUH (Mewat)                                      |





| (1) | (2)   | (3)   | (4)  | (5)             | (6)             | (7)             | (8)   |
|-----|---|---|--|-----------------|-----------------|-----------------|---|
| 4   | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Education (upgradation / refurbishing of Computer Cell)   | 'People for Change', engaged as voluntary organization for promoting education for the under privileged children | Rs. 2,10,000    | Rs. 2,10,000    | Rs. 2,10,000    | Amount spent through 'People for Change', engaged as voluntary organization for promoting education for the under privileged children |
| 5   | Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;   | sanitation and water supply (repairing of toilets and providing sanitary and water supply fittings) | Govt. Primary School, Kather, Solan (H.P.),  | Rs. 24,860/-    | Rs. 24,860/-    | Rs. 24,860/-    | Amount directly spent by the Company  |
| 6   | Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;   | sanitation and water supply (Drainage soakage Pits)   | Biwan Village  | Rs. 3,50,140/-  | Rs. 3,50,140/-  | Rs. 3,50,140/-  | Amount directly spent by the Company  |
|     | TOTAL   |   |  | Rs. 10,60,000/- | Rs. 10,60,000/- | Rs. 10,60,000/- |   |

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

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

Sd/-  
Mr. N. S. Ghuman  
Managing Director

Sd/-  
Mr. S.S. Sandhu  
Chairman of CSR Committee





# REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



## ANNEXURE "F"

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

#### Introduction:

Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile, Clause 49 of the listing agreement of the Stock Exchanges). The Company has adopted best practices mandated in SEBI (LODR) Regulations, 2015. This Report outlines the governance practices followed by the Company in compliance with the said requirements of the Listing Agreement.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges.

Philosophy on Corporate Governance:

The Corporate Governance philosophy of the Company is driven by the following fundamental principles which ensure:

- (i) Board accountability to the company and shareholders as a whole;
- (ii) Guidance and effective monitoring by the Board in strict terms;
- (iii) Protection on minority interests and rights;
- (iv) Equitable treatment to all concerned;
- (v) Transparency and timely disclosure;
- (vi) Conduct of the affairs of the Company in an ethical manner;
- (vii) Highest level of responsibility and accountability in dealing with various stakeholders of the Company;
- (viii) Compliance with applicable statutes and regulations.

Keeping in view of the above philosophy, the Company has been striving continuously for maintaining excellence through adoption of good governance and disclosure practices.

### 2. Board of Directors

The Board of Directors of the Company has an optimum combination of executive and non-executive Directors with right element of independence and is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 of the listing agreement of the Stock Exchanges). 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, 2016 was Eight Directors as detailed herein below:

| S No. | Name                              | DIN      | Designation       | Category (Whole time/ Non-Executive/ Independent) |
|-------|-----------------------------------|----------|-------------------|---|
| 1.    | Mr. S. S. Sandhu                  | 00002312 | Chairman          | Whole time  |
| 2.    | Mr. N. S. Ghumman                 | 00002052 | Managing Director | Whole time  |
| 3.    | Mr. Gurmeet Singh Gill            | 00007393 | Director          | Independent                                       |
| 4.    | Mr. Rohit Kapur                   | 00007721 | Director          | Independent                                       |
| 5.    | Mr. Nirmaljeet Singh Gill         | 00007425 | Director          | Independent                                       |
| 6.    | Lt. Gen. Pradeep Khanna (Retd.)   | 06668919 | Director          | Independent                                       |
| 7.    | Capt. Jitender Singh Mann (Retd.) | 06659626 | Director          | Independent                                       |
| 8.    | Mrs. Harpreet Kaur                | 07012657 | Women Director    | Independent                                       |



## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



During the year under review, Mr. D.J.S. Sandhu, Deputy Managing Director resigned from the directorship of the Company due to health and personal reasons and ceased to be the Directors of the Company w.e.f. 20th August, 2015. The Board expresses its sincere thanks to Mr. D.J.S. Sandhu for his valuable contribution made towards the company as a Deputy Managing Director.

# In Board meeting dated 11th August, 2016, there is a change in category, from Non Executive Independent Directors to Non-Executive Directors, of Mr. Gurmeet Singh Gill & Mrs. Harpreet Kaur.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

### **Evaluation of Board Effectiveness**

In terms of provisions of the Companies Act, 2013 read with rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board conducted a formal annual evaluation mechanism for evaluating its performance as well as that of its Committees and individual Directors including the Chairman of the Board. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members. The criteria to evaluate the performance of the Board committees, independent Directors and non-independent directors inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### **Familiarization Programme**

The objective of a familiarization programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, important policies including the Code of Conduct for Board Members & Senior Management Personnel and the Code of Conduct to Regulate, Monitor & Report Trading by Insiders, etc.

A familiarization programme was conducted for non-executive directors on areas such as the core functions of the Company, overview of the industry, financials and the performance of the Company.

The Chairman, Managing Director, CFO & Company Secretary, business heads and other senior officials of the Company made presentations to the Board members on a periodical basis, briefing them on the operations of the Company, strategy, risks, new initiatives, etc.

The familiarization programme for Independent Directors in terms of provisions of SEBI Listing Regulations is uploaded on the website of the Company and can be accessed through the following link:

<http://www.shivalikbimetals.com/images/pdf/familiarisation-programme-for-independent-directors.pdf>

### **Board Meetings**

During the financial year 2015-16, Five Board Meetings were held on 27th May, 2015, 11th August, 2015, 4th November, 2015, 7th December, 2015 and 9th February, 2016.



## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



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

| Name of Director                             | No. of Board Meetings attended out of 5 Meetings held during the year 2015-16 | Last AGM held on 23rd September, 2015 (Attended – Yes / No) |
|--|---|---|
| <b>Whole time Directors</b>                  |   |   |
| Mr. S. S. Sandhu                             | 5   | Y   |
| Mr. N. S. Ghumman                            | 5   | Y   |
| *Mr. D. J. S. Sandhu                         | 2   | N   |
| <b>Independent / Non-Executive Directors</b> |   |   |
| Mr. Gurmeet Singh Gill                       | 5   | N   |
| Mr. Rohit Kapur                              | 3   | N   |
| Mr. Nirmaljeet Singh Gill                    | 4   | Y   |
| Lt. Gen. Pradeep Khanna (Retd.)              | 3   | N   |
| Capt. Jitender Singh Mann (Retd.)            | 2   | N   |
| Mrs. Harpreet Kaur                           | 5   | N   |

\* Mr. D.J.S. Sandhu, Deputy Managing Director resigned from the directorship of the Company due to health and personal reasons and ceased to be the Directors of the Company w.e.f. 20th August, 2015. The Board expresses its sincere thanks to Mr. D.J.S. Sandhu for his valuable contribution made towards the company as a Deputy Managing Director.

### Number of Directorship on the Board of other Companies as on 31.03.2016

As per the SEBI (LODR) Regulations, 2015, a director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:

- the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
- for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

The details of the Board of Directors in terms of their directorships/memberships in committees of public companies are as under:

| Name of Director                | No. of other Public Limited Companies in which Directorship/ Chairmanship is held |              | Committee Membership / Chairmanship of Board Committees in other companies |              |
|---------------------------------|---|--------------|--|--------------|
|                                 | Directorship  | Chairmanship | Membership   | Chairmanship |
| Mr. S. S. Sandhu                | 1   | Nil          | Nil  | Nil          |
| Mr. N. S. Ghumman               | Nil   | Nil          | Nil  | Nil          |
| *Mr. D. J. S. Sandhu            | 1   | Nil          | Nil  | Nil          |
| Mr. G. S. Gill                  | Nil   | Nil          | Nil  | Nil          |
| Mr. Rohit Kapur                 | Nil   | Nil          | Nil  | Nil          |
| Mr. Nirmaljeet Singh Gill       | Nil   | Nil          | Nil  | Nil          |
| Lt. Gen. Pradeep Khanna (Retd.) | Nil   | Nil          | Nil  | Nil          |



## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



| Name of Director                  | No. of other Public Limited Companies in which Directorship/ Chairmanship is held |              | Committee Membership / Chairmanship of Board Committees in other companies |              |
|-----------------------------------|---|--------------|--|--------------|
|                                   | Directorship  | Chairmanship | Membership   | Chairmanship |
| Capt. Jitender Singh Mann (Retd.) | Nil   | Nil          | Nil  | Nil          |
| Mrs. Harpreet Kaur                | Nil   | Nil          | Nil  | Nil          |

\* Mr. D.J.S. Sandhu, Deputy Managing Director resigned from the directorship of the Company due to health and personal reasons and ceased to be the Directors of the Company w.e.f. 20th August, 2015. The Board expresses its sincere thanks to Mr. D.J.S. Sandhu for his valuable contribution made towards the company as a Deputy Managing Director.

### Remuneration paid to Whole-time Directors during the year ended 31.03.2016

(in Rupees)

| Sl. No. | Name                | Designation  | Salaries & Allowances | Contribution to PF | Other Benefits | Total*    |
|---------|---------------------|--------------|-----------------------|--------------------|----------------|-----------|
| 1.      | Mr. S. S. Sandhu    | Chairman     | 74,78,400             | 5,60,880           | 1,94,438       | 82,33,718 |
| 2.      | Mr. N. S. Ghumman   | Mg. Dir.     | 74,78,400             | 5,60,880           | 86,924         | 81,26,204 |
| 3.      | Mr. D. J. S. Sandhu | Dy. Mg. Dir. | 24,52,645             | 1,83,948           | 47,990         | 26,84,583 |

\* Mr. D. J. S. Sandhu ceased to be the Director of the Company w.e.f. 20th August, 2015, in pursuance to his resignation.

\*\* The payment of remuneration is within the limits as approved by the Shareholders in the Annual General Meeting held on 25th September, 2014 by way of Special Resolutions and in accordance with the provisions of the section 197, Schedule V of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions.

### Remuneration paid to Key Managerial Personnel during the year ended 31.03.2016

(in Rupees)

| Sl. No. | Name            | Designation  | Salaries & Allowances | Contribution to PF | Other Benefits | Total     |
|---------|-----------------|--------------|-----------------------|--------------------|----------------|-----------|
| 1.      | Mr. M.K. Verma  | CFO          | 16,37,226             | 79,668             | 2,20,520       | 19,37,414 |
| 2.      | Mr. Ram Pravesh | Company Sec. | 5,71,593              | 28,947             | 58,302         | 6,58,842  |

### Sitting fee paid to Non-Executive / Independent Directors during the year ended 31.03.2016

(in Rupees)

| S. No. | Name                              | Designation | Sitting Fees |
|--------|-----------------------------------|-------------|--------------|
| 1.     | Mr. Rohit Kapur                   | Director    | 6,000        |
| 2.     | Mr. Gurmeet Singh Gill            | Director    | 10,000       |
| 3.     | Mr. Nirmaljeet Singh Gill         | Director    | 8,000        |
| 4.     | Lt. Gen. Pradeep Khanna (Retd.)   | Director    | 6,000        |
| 5.     | Capt. Jitender Singh Mann (Retd.) | Director    | 4,000        |
| 6.     | Mrs. Harpreet Kaur                | Director    | 10,000       |



## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



**Details of Equity shares of the Company held by the Independent Directors as on March 31, 2016 are given below:**

None of the Independent Directors held any Shares in Shivalik Bimetal Controls Limited as on 31st March 2016.

### 3. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013, during the period under review, an Audit Committee initially, comprised 2 independent non-executive directors and one whole-time director viz., Mr. Nirmaljeet Singh Gill (having financial and accounting knowledge), Mr. Gurmeet Singh Gill and Mr. S. S. Sandhu as members of the Committee.

During the period under review, Mrs. Harpreet Kaur, Independent Director of the Company inducted as a member of the Audit Committee w.e.f. 10th August, 2015.

##### **The revised Composition w.e.f. 10th August, 2015 is as under:**

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and other applicable provisions, an 'Audit Committee' is comprising 3 independent non-executive directors and one whole-time director viz., Mr. Nirmaljeet Singh Gill (having financial and accounting knowledge), Mr. Gurmeet Singh Gill, Mrs. Harpreet Kaur and Mr. S. S. Sandhu.

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 financial statements, the appointment, independence, performance and the remuneration of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

With the dissolution of Risk Management Committee w.e.f. 9th February, 2016, the Board has delegated responsibility of overseeing Risk Management framework to the Audit Committee. The Audit Committee reviews the key risks associated with the business of the Company, the procedures adopted to assess the risks, efficacy and mitigation measures.

##### **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, four Audit Committee meetings were held on 25th May, 2015, 10th August, 2015, 2nd November, 2015 and 6th February, 2016.

| S. No. | Name of Members           | Designation | No. of Meeting held during the Year | No. of Meeting attended during the year |
|--------|---------------------------|-------------|-------------------------------------|---|
| 1      | Mr. Nirmaljeet Singh Gill | Chairman    | 4                                   | 3                                       |
| 2      | Mr. Gurmeet Singh Gill    | Member      | 4                                   | 4                                       |
| 3      | Mr. S. S. Sandhu          | Member      | 4                                   | 4                                       |
| 4      | *Mrs. Harpreet Kaur       | Member      | 3                                   | 3                                       |

\*Mrs. Harpreet Kaur, Independent Director of the Company inducted as member of the Committee w.e.f. 10th August, 2015.



## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



The Audit Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the committee. The Company Secretary of the Company acts as the Secretary of the Committee.

### **Terms of Reference**

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

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

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

### **(ii) Nomination and Remuneration Committee**

Nomination and Remuneration Committee of the Board (NRC) has been constituted in terms of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board.

The role of the Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board;





## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



devising a policy on Board diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

### **Composition, Name of Chairman and Members**

In terms of section 178 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable provisions, a 'Nomination and Remuneration Committee' has been constituted, comprising 3 independent non-executive directors viz., Mr. Nirmaljeet Singh Gill, Chairman (having financial and accounting knowledge), Mr. Rohit Kapur and Mr. Gurmeet Singh Gill as Members of the Committee. The quorum of the Committee is two members. The Company Secretary is the Secretary of the Nomination and Remuneration Committee.

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

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

### **Meetings and Attendance during the year**

During the year under review, two Nomination and Remuneration Committee meetings were held on 26th August, 2015 and 6th February, 2016.

| <b>S. No.</b> | <b>Name of Members</b>    | <b>Designation</b> | <b>No. of Meeting held during the Year</b> | <b>No. of Meeting attended during the year</b> |
|---------------|---------------------------|--------------------|--|--|
| 1             | Mr. Nirmaljeet Singh Gill | Chairman           | 2  | 2  |
| 2             | Mr. Rohit Kapur           | Member             | 2  | 2  |
| 3             | Mr. Gurmeet Singh Gill    | Member             | 2  | 2  |

### **(iii) 'Stakeholders Relationship and Share Transfer Committee'**

The 'Stakeholders Relationship/ Grievance Redressal Committee' (SR Committee) was constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading. The SR Committee's composition and the terms of reference meet with the requirements of Listing Regulations and provisions of the Companies Act, 2013.





## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



### Composition, Name of Chairman and Members

In terms of section 178 of the Companies Act, 2013, Listing Regulations and other applicable provisions, a 'Stakeholders Relationship and Share Transfer Committee' is comprising one non-executive director, Mr. Nirmaljeet Singh Gill, Chairman and two whole-time Directors, Mr. S.S. Sandhu and Mr. N.S. Ghumman as members of the Committee. The quorum of the Committee is two members. The Company Secretary is the Secretary of the 'Stakeholders Relationship and Share Transfer Committee'.

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

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

### Meetings and Attendance during the year

During the year under review, five (5) meetings of the Committee were held on 25th May 2015, 22nd June 2015, 14th September 2015, 25th January 2016 and 8th February 2016.

| S. No. | Name of Members           | Designation | No. of Meeting held during the Year | No. of Meeting attended during the year |
|--------|---------------------------|-------------|-------------------------------------|---|
| 1      | Mr. Nirmaljeet Singh Gill | Chairman    | 5                                   | 5                                       |
| 2      | Mr. S. S. Sandhu          | Member      | 5                                   | 4                                       |
| 3      | Mr. N. S. Ghumman         | Member      | 5                                   | 5                                       |

### Details of queries / complaints received from Shareholders / Investors during the year 2015-16

The details of shareholders grievance are as follows:

|   |     |
|---|-----|
| No. of Complaints received during the year          | 1   |
| No. of Complaints resolved during the year          | 1   |
| Pending Complaints at the end of the Financial Year | Nil |

### (iv) Risk Management Committee & Risk Management

The Board of Directors had constituted a Risk Management Committee and also defined its roles and responsibilities in accordance with the provisions of Clause 49 of the Listing Agreement. The Risk Management Policy is structured so that potential risks may be identified and adequately assessed and reported so that timely and effective mitigation steps can be taken.

However, as Regulation 21 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 provides that Risk Management Committee is required only for top 100 Companies, determined on the basis of market Capitalization at BSE. SHIVALIK has not comes under the top 100 Companies, accordingly the Board in its Board Meeting dated 9th February, 2016 dissolved the Risk Management Committee and transferred it functions to the Audit Committee of the Company.



## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



The Company has formulated a Risk Management Policy. The Policy is available on website of the Company at <http://www.shivalikbimetals.com/images/pdf/risk-mangement-policy.pdf>

During the year under review, one meeting of the Risk Management Committee was held on 17th December, 2015.

The composition of the Committee and attendance is given hereunder.

| S. No. | Name of Members        | Designation | No. of Meeting held during the Year | No. of Meeting attended during the year |
|--------|------------------------|-------------|-------------------------------------|---|
| 1      | Mr. S. S. Sandhu       | Chairman    | 1                                   | 1                                       |
| 2      | Mr. N. S. Ghumman      | Member      | 1                                   | 1                                       |
| 3      | Mrs. Harpreet Kaur     | Member      | 1                                   | 1                                       |
| 4      | Mr. Angad Sandhu       | Member      | 1                                   | 1                                       |
| 5      | Mr. Mukesh Kumar Verma | Member      | 1                                   | 1                                       |

### (v) Independent Directors' Meeting

During the year, as per the requirement of Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate meeting of the independent directors of the Company was held on February 06, 2016 without the attendance of non-independent directors and members of the management. All six (6) independent directors were present at the meeting, wherein they had inter alia; reviewed the performance of non-independent directors and the Board as a whole; reviewed the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the company management and the Board.

#### Meetings and Attendance during the year

| S. No. | Name of Director                  | Designation          | No. of Meeting held during the Year | No. of Meeting attended during the year |
|--------|-----------------------------------|----------------------|-------------------------------------|---|
| 1      | Mr. Nirmaljeet Singh Gill         | Independent Director | 1                                   | 1                                       |
| 2      | Mr. Gurmeet Singh Gill            | Independent Director | 1                                   | 1                                       |
| 3      | Lt. Gen. Pradeep Khanna (Retd.)   | Independent Director | 1                                   | 1                                       |
| 4      | Mr. Rohit Kapur                   | Independent Director | 1                                   | 1                                       |
| 5      | Capt. Jitender Singh Mann (Retd.) | Independent Director | 1                                   | 1                                       |
| 6      | Mrs. Harpreet Kaur                | Independent Director | 1                                   | 1                                       |

### (vi) Corporate Social Responsibility Committee

Pursuant to the Section 135 of the Companies Act, 2013, Schedule VII of the Act, Companies (Corporate Social Responsibility Policy) Rules, 2014 and other applicable provisions, a 'Corporate Social Responsibility Committee' (CSR Committee) has been constituted, comprising 3 directors viz., Mr. S. S. Sandhu, Chairman, Mr. N. S. Ghumman and Mrs. Harpreet Kaur as Members of the Committee. The quorum of the Committee is two members. The Company Secretary is the Secretary of the Corporate Social Responsibility Committee.

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

- Formulate and recommended to the Board, a CSR Policy.
- Recommend to the Board CSR activities to be undertaken by the Company.
- Monitor the CSR Policy of the Company from time to time and ensure its Compliance.



## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



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

### Meetings and Attendance during the year

During the year under review, two meetings of the Committee were held on 24th August 2015, and 15th February 2016.

| S. No. | Name of Director   | Designation | No. of Meeting held during the Year | No. of Meeting attended during the year |
|--------|--------------------|-------------|-------------------------------------|---|
| 1      | Mr. S. S. Sandhu   | Chairman    | 2                                   | 2                                       |
| 2      | Mr. N. S. Ghumman  | Member      | 2                                   | 2                                       |
| 3      | Mrs. Harpreet Kaur | Member      | 2                                   | 2                                       |

### 4. Related Party Transactions (RPTs)

All transactions entered into with the Related Parties as defined under the Companies Act, 2013, Rules issued thereunder & Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year, 2015-16, were made in the ordinary course of business and on arm's length basis

The Policy on Related Party Transactions as approved by the Board is also uploaded on the Company's website at the Link: <http://www.shivalikbimetals.com/images/pdf/related-party-transaction-policy.pdf>.

### 5. Whistle Blower Policy / Vigil Mechanism

Your Company believes to conduct its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any wrongful conduct.

The Board of Directors has approved the vigil mechanism/whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company and any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism. No employee has been denied access to the Audit Committee.

The Board has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and the SEBI Listing Regulations and uploaded it on the Company's website at the Link: <http://www.shivalikbimetals.com/images/pdf/wistle-blower-policy-sbcl.pdf>.

During the period under review there was no complained received by the company under Whistle Blower / Vigil Mechanism

### 6. Code of Conduct

Your Company has adopted a Code of Conduct for all the employees including Board Members and Senior Management Personnel of the Company in accordance with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct has been posted on the website of the Company at <http://www.shivalikbimetals.com/about-us.php?pageId=8>. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2016. The declaration to this effect signed by Chairman of the Company forms part of the report.



# REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



## 7. Code of Conduct for Prevention of Insider Trading

The Company has adopted a 'Code of conduct to regulate, monitor and report Trading by Insiders' (the Code) pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is applicable to all Directors and such Designated Persons as defined in the Code.

The code lays down guidelines, which advises Insiders' on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations.

The code of fair disclosure practices and procedures for unpublished price sensitive information is available at <http://www.shivalikbimetals.com/about-us.php?pageId=32>.

The code ensures that the Insiders' deal in the shares of the Company only at a time when any price sensitive information that could be known to them is also known to the public at large.

## 8. Policy for Preservation of Documents

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

## 9. Disclosure Policy

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

## 10. General Meetings

### 10.1 Annual General Meetings (AGM)

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

| Year                | 2012-13  | 2013-14   | 2014-15  |
|---------------------|--|---|--|
| Date                | 27th September, 2013   | 25th September, 2014  | 23rd September, 2015   |
| 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.) |
| Special Resolutions | NIL  | <ol style="list-style-type: none"> <li>To review &amp; approve the remuneration of Mr. Satinderjeet Singh Sandhu (DIN: 00002312), Chairman &amp; Whole Time Director of the company for a period of three years w.e.f. 01.04.2014 to 31.03.2017</li> <li>To review &amp; approve the remuneration of Mr. Narinder Singh Ghuman (DIN: 00002052), Managing Director of the company for a period of three years w.e.f. 01.04.2014 to 31.03.2017</li> </ol> | NIL  |



## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



|  |  |   |  |
|--|--|---|--|
|  |  | 3. To review & approve the remuneration of Mr. Devinder Jeet Singh Sandhu (DIN: 00002039), Deputy Managing Director of the company for a period of three years w.e.f. 01.04.2014 to 31.03.2017. |  |
|--|--|---|--|

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

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

### 11. Disclosures

All transactions entered into with the Related Parties as defined under the Companies Act, 2013, Rules issued thereunder & Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year, 2015-16, were made in the ordinary course of business and on arm's length basis

The Policy on Related Party Transactions as approved by the Board is also uploaded on the Company's website at the Link: <http://www.shivalikbimetals.com/images/pdf/related-party-transaction-policy.pdf>.

- (i) 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.
- (ii) The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link - <http://www.shivalikbimetals.com/images/pdf/wistle-blower-policy-sbcl.pdf>
- (iii) 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.
- (iv) The Company does not have any material listed / unlisted subsidiary companies as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) None of Directors of the Company is related to each other, except Mr. S.S. Sandhu and Mr. N.S. Ghumman. They have a relationship of brother in law, of each other.
- (vi) In preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India.
- (vii) The Management Discussion & Analysis forms part of the Annual Report and includes various matters specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, no material transaction has been entered into by the Company with the Senior Management Personnel that may have a potential conflict with the interest of the Company at large.
- (viii) The Company has in place a mechanism to inform the Board members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- (ix) The shares of the Company are listed on BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has paid the Annual Listing fee for the financial year 2016-17 to BSE where the shares of the Company continue to be listed.
- (x) Your Company has complied with the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to it.



## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



- (xi) During the year under review, there was no audit qualification on the Company's financial statements.
- (xii) SEBI Complaints Redress System (SCORES) Securities and Exchange Board of India (SEBI) administers a centralised web based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website [www.scores.gov.in](http://www.scores.gov.in). It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal.

All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavours to resolve all investor complaints received through SCORES or otherwise within 15 days of the receipt of the complaint.

### 12. 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 on their respective websites. The company also has its website [www.shivalikbimetals.com](http://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](mailto:investor@shivalikbimetals.com) for investor's to contact the company in case of any information and grievances.

### 13. MD/CFO Certification

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

### 14. General Shareholders' Information

#### 14.1 Annual General Meeting (AGM)

|             |  |
|-------------|--|
| Date & Time | : 20th September 2016 at 10.00 a.m   |
| Venue       | : Regd. Office:<br>Plot No. 16-18, New Electronics Complex, Chambaghat,<br>Distt. Solan (H.P.) |

#### 14.2 Financial calendar

|                        |                                    |
|------------------------|------------------------------------|
| First quarter          | : Latest by mid of August, 2016    |
| Second / half yearly   | : Latest by mid of November, 2016  |
| Third quarter          | : Latest by mid of February, 2017  |
| Fourth quarter         | : Latest by end of May, 2017       |
| Annual General Meeting | : Latest by end of September, 2017 |

#### 14.3 Date of Book Closure

|   |
|---|
| : 14.09.2016 to 19.09.2016<br>(Both days inclusive) |
|---|

#### 14.4 Listing on Stock Exchange

|  |
|--|
| : Bombay Stock Exchange Limited,<br>Mumbai (BSE) |
|--|

#### 14.5 (i) Stock Code

|                 |
|-----------------|
| : at BSE 513097 |
|-----------------|

#### (ii) Demat ISIN No. in NSDL and CDSL for equity shares

|                           |
|---------------------------|
| : ISIN No.: INE 386D01027 |
|---------------------------|





## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



### 14.6 Market Price Data: High and Low during each month in last financial year 2015-16

#### Share Price Movement at BSE

| ₹ Per Share) |       |       | ₹ Per Share) |      |      |
|--------------|-------|-------|--------------|------|------|
| Month        | High  | Low   | Month        | High | Low  |
| April, 2015  | 35.9  | 27.55 | Oct., 2015   | 26.4 | 21.2 |
| May, 2015    | 30.85 | 25    | Nov., 2015   | 24.8 | 18.5 |
| June, 2015   | 31.5  | 26    | Dec., 2015   | 29   | 21   |
| July, 2015   | 35    | 24.4  | Jan., 2016   | 28.8 | 20   |
| Aug., 2015   | 31.6  | 20.3  | Feb., 2016   | 24.9 | 17   |
| Sep., 2015   | 23.95 | 20.35 | Mar., 2016   | 24.3 | 19.6 |

### 14.7 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 Mass 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

Pursuance to Listing Regulations, 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.

### 14.8 Dematerialisation of shares

Over 95.36% of the Company's paid-up equity share capital has been dematerialised upto 31st March 2016. 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).

### 14.9 Share Capital Reconciliation Audit

During the Financial Year 2015-16, an independent practicing Company Secretary carried out the Share Capital Reconciliation audit on a quarterly basis to reconcile the total admitted equity share capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. These reports are filed with Stock Exchanges quarterly.





# REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



## 14.10 Shareholding Pattern as on 31st March, 2016

| Category                           | No. of Shares held | % of total shareholding |
|------------------------------------|--------------------|-------------------------|
| Foreign Promoters                  | 0                  | 0.000                   |
| Banks                              | 1000               | 0.005                   |
| Financial Institutions             | 0                  | 0.000                   |
| Mutual Funds                       | 0                  | 0.000                   |
| Domestic Companies                 | 8190313            | 42.655                  |
| Non-Domestic Companies             | 0                  | 0.000                   |
| Non-Resident Indians               | 43496              | 0.227                   |
| Foreign Institutional Investors    | 0                  | 0.000                   |
| Directors / Relatives of Directors | 3929000            | 20.462                  |
| Individuals / Others               | 7037591            | 36.651                  |
| Total                              | 19201400           | 100.000                 |

## 14.11 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.

## 14.12 Major Plants / Units Location(s)

| Plants Location   | Head Office:  |
|---|---|
| Plot No. 16-18,<br>New Electronics Complex,<br>Chambaghat,<br>Distt. Solan (HP) | H-2, 2nd Floor,<br>Suneja Chambers,<br>Alaknanda Commercial Complex,<br>New Delhi -110019 |

## 14.13 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, IIInd Floor, Okhla Industrial Area, Phase - II,  
New Delhi-110020,
- For shares held in Demat form  
To the Depository Participant concerned

## 14.14 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.

## 14.15 Action required regarding Unclaimed Dividends

Pursuant to Section 124 and 125 of the Companies Act, 2013 and other applicable provisions all unclaimed/unpaid dividend for the years prior to and including a sum of ₹1,76,922/- for the financial year 2007-08 (IIInd Interim) and ₹97,588/- for the financial year 2007-08 (Final) have been transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government 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 2008-09 (Interim) and 2008-09 (Final) will be due for transfer to IEPF later this year.



## REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2015-16)



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* |
|------------------------|---------------------|-------------------------------------|
| 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 (1st 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                    |
| 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.

\*\* ₹91,249/- for the financial year 2008-09 (Interim) have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

### 14.16 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 72 of the Act, may submit to the Registrar and Transfer Agents, the prescribed Form SH-13.

### 14.17 Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

### 14.18 Unclaimed Shares

In terms of Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares issued pursuant to the public issues or any other issue which remain unclaimed are required to be credited to a demat suspense account with one of the depository participants opened by the Company for this purpose. The Company has sent the '1st reminder' letters to the shareholders on July 17, 2016 through its Registrar and Share transfer agent, MAS Services Limited. The Company has been receiving responses from the shareholders and the Company is attending to these responses. After processing these requests, the Company will be sending further reminder(s) and will take such other appropriate measures as may be required before proceeding to transfer the unclaimed shares to a suspense account.

## Annexure to Report on Corporate Governance for the financial year ended 31st March, 2016

### Declaration of Compliance with the Code of Conduct

In accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, I hereby confirm and declare that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended 31st March 2016.

**For Shivalik Bimetal Controls Limited**

Sd/-

**S. S. Sandhu**

**Chairman**

**DIN: 00002312**

Place : New Delhi

Date : 11th August, 2016

302, Kings I, Royal Retreat,  
Charmswood Village, Suraj Kund,  
Faridabad, 121009, Haryana, India



## MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion & Analysis Report covering performance and outlook is given below:

### 1. Economy and Industry Overview

In the beginning of FY 2015-16, India was believed to be in a sweet spot with a strong political mandate and a favorable external environment. While few reforms got implemented during the year, incremental improvements have helped the economy. Consequentially, GDP growth in FY 2015-16 has inched up to about 7.6% against 7.2% in FY 2014-15. While, expectations were high on growth, managing 7.6% in an otherwise sluggish global environment is reassuring of India's potential.

#### Industry Overview

Despite a stagnant industry and constrained demand environment, optimism about the mid and long-term growth prospects, remains. Global sentiment towards the Indian market has seen substantial improvement following the reforms initiated by the Indian government.

Recent government measures aimed at structural reforms in the Indian economy are in the right direction. Further, with inflation and other financial indicators such as monitoring of fiscal deficit and current account deficit, there are positive signs of higher growth numbers in the year ahead. Positive policies and lower global prices of various commodities have contributed to the marked decline in inflation and the comfortable external position in the country.

Given the increased government focus and policy initiatives to boost the infrastructure and construction segments, the growth rate is expected to pick up, moving forward. Overall, the Indian economy is expected to further strengthen through higher infrastructure spending, increased fiscal devolution to states and continued reforms in financial and monetary policy. The industrial segment, in particular, is likely to see a demand uptick, to trigger an all-round impact which could lead to greater revival in the sluggish consumer sentiment.

With the growth of infrastructure and construction segments, the bimetal business in India is poised for a good growth.

### 2. Opportunities & Threats

Additional capacities and the commitment to have zero defect quality products have provided substantial growth opportunities to your company in the global bimetal market. Your company has been closely working with various MNC's for the development of various products which will grow your company at a faster rate. Capability to produce disc grade bimetal is another weapon in the archery of your company. All out efforts for automation of the existing capabilities are being made to navigate through the changing technology and customer expectations.

The companies which are into export and import business do face a risk of loss due to exchange fluctuations in foreign currency. To mitigate this loss, your company has made a forex policy which is reviewed periodically more particularly w.r.t Natural hedging, increasing exports, need-based hedging of exposed portions. Other business threats are being handled as per the risk management policies of the company.

### 3. Future Outlook

Your Directors are optimistic that with additional capacities and capabilities, your company can be a leader in global bimetal market. Your company is continuously taking various steps to face the challenging environment and customer expectations which are as under:

- Achieving customer satisfaction by providing zero defect quality product and services;
- Automation of existing capabilities;



## MANAGEMENT DISCUSSION AND ANALYSIS



- To provide safe working environment to workers;
- Skill Development;
- Continuous efforts for cost reductions and optimal utilization of available resources of the company;
- Effective management of foreign exchange policy;
- In-house R & D facility for the purpose of product improvement & Development, product diversification, to explore new avenues for its product applications and new product development using same technology;
- To become a leader in global bimetal market.

### 4. Financial Performance

#### (A) Standalone financial performance is as under:

Equity Share Capital : The Equity Share Capital of the Company as on 31st March, 2016 stood at ₹384.03 Lacs. There was no fresh issue of capital during the year.

Finance Cost : Finance Cost for the financial year 2015-16 is ₹389.90 Lacs as compared to ₹319.84 Lacs in the previous year, as such there is an increase by 21.90 % in the current financial year.

Turnover: The Company's sales and other income has increased from ₹10,162.22 Lacs to ₹10,654.91 Lacs, an increase of 4.85% over the previous year.

Net Profit : Net profit available for appropriation for the year 2015-16 stood at ₹411.44 Lacs as compared to ₹494.19 Lacs in the previous year.

#### (B) Consolidated financial performance is as under:

Equity Share Capital : The Equity Share Capital of the Company as on 31st March, 2016 stood at ₹384.03 Lacs. There was no fresh issue of capital during the year.

Finance Cost : Finance Cost for the financial year 2015-16 is ₹442.72 Lacs.

Turnover: The Company's sales and other income during the year is ₹11,640.42 Lacs.

Net Profit : Net profit available for appropriation for the year 2015-16 stood at ₹332.59 Lacs.

Earnings Per Share (EPS) : The Company's Earnings Per Share (EPS) during the current year is 1.73 .

### 5. Risks & Concerns

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

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

The various heads of operations are having continuing interactions and communications at periodical intervals with the marketing head, employees and other stakeholders. They keep themselves abreast with the developments in the market, products, competition and other relevant areas.



## MANAGEMENT DISCUSSION AND ANALYSIS



### 6. Internal Control System and their Adequacy

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

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

### 7. Occupational Health & Safety

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

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

### 8. Human resource and industrial Relations

Your company maintains very cordial relations with its customers and suppliers. All out efforts are made to quickly resolve all outstanding issues beforehand so that they do not escalate into major disagreements. Your company has earned a good standing over the years and there are zero contentious issues pending as on date. The organization maintains harmonious relations at all levels within the company and employees are well motivated round the year to meet the goals set for them. Your Directors wish to place on record the deep sense of appreciation for the contributions made by the employees.

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

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

### 9. Cautionary Statement

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



## CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER



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

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2016 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/-

**Mukesh K. Verma**  
**Chief Financial Officer**

Place : New Delhi

Dated : May 30, 2016





## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE



**MALIK S & CO.**  
CHARTERED ACCOUNTANTS

1/101, (L.G.F.) Old Rajinder Nagar  
Sir Ganga Ram Hospital Marg  
New Delhi -110060  
Tel.: 25862423, Tel/Fax: 25780911  
E-mail: sm@mscompany.in

**To the Shareholders of**

**SHIVALIK BIMETAL CONTROLS LTD.**

1. We have examined the compliance of conditions of Corporate Governance by **SHIVALIK BIMETAL CONTROLS LTD.** ("the Company"), for the year ended on 31st March, 2016, as stipulated in:
  - Clause 49 of the Listing Agreements of the Company with stock exchanges for the period from 1st April 2015 to 8th February 2016.
  - Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C,D and E of schedule V of the Listing Regulations for the period from 9th February 2016 to 31st March 2016.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31st March 2016.
5. We 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.

**For Malik S & Co.**  
Chartered Accountants  
Firm Registration No:- 00383N

Sd/-  
**SURESH MALIK**  
Proprietor  
M.No. 080493

Place : New Delhi  
Dated: August 11, 2016





## INDEPENDENT AUDITORS' REPORT



To

**The Members of Shivalik Bimetal Controls Limited**

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

We have audited the accompanying standalone financial statements of Shivalik Bimetal Controls Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of standalone the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.



## INDEPENDENT AUDITORS' REPORT



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014;
  - e. on the basis of written representations received from the directors as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 33 to the financial statements;
    - ii. the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

Sd/-  
**SURESH MALIK**  
Proprietor  
M.No. 080493

Place : New Delhi  
Dated: May 30, 2016



## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



The Annexure referred to in Independent Auditors Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. According to information and explanations given to us, the assets have been physically verified by the management during the year as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) a. The management has conducted physical verification of inventory at reasonable intervals during the year.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) The company has not granted any loans, to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph (iii) (a), (b), & (c) of the Companies (Auditor's Report) Order, 2016 (hereinafter referred to as the said Order) are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act to the extent applicable in respect of loans, investments, guarantees, and security.
- (v) The company has not accepted any deposits from the public.
- (vi) Company has maintained the cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii) a. According to the records of the Company and information and explanation given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
- b. According to the information and explanations given to us, there were no dues outstanding of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, banks and debenture holders.
- (ix) According to information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans raised during the year have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **MALIK S & CO.**

Chartered Accountants

Firm Registration No:- 00383N

Sd/-

**SURESH MALIK**

Proprietor

M.No. 080493

Place : New Delhi

Dated: May 30, 2016



## ANNEXURE - B TO THE AUDITORS' REPORT



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

We have audited the internal financial controls over financial reporting of Shivalik Bimetal Controls Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and



not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MALIK S & CO.**

Chartered Accountants

Firm Registration No:- 00383N

Sd/-

**SURESH MALIK**

Proprietor

M.No. 080493

Place : New Delhi

Dated: May 30, 2016



# SHIVALIK BIMETAL CONTROLS LIMITED



## BALANCE SHEET as at 31<sup>st</sup> March, 2016

CIN:L27101HP1984PLC005862

(₹ in '000)

|  | Note No. | As at<br>31st March 2016 | As at<br>31st March 2015 |
|--|----------|--------------------------|--------------------------|
| <b>I. EQUITY AND LIABILITIES</b>   |          |                          |                          |
| <b>Shareholders' funds</b>   |          |                          |                          |
| (a) Share capital  | 3        | <b>38,403</b>            | 38,403                   |
| (b) Reserves and surplus   | 4        | <b>611,505</b>           | 570,361                  |
| <b>Non-current liabilities</b>   |          |                          |                          |
| (a) Long-term borrowings   | 5        | <b>48,103</b>            | 89,891                   |
| (b) Deferred tax liabilities (Net)   | 6        | <b>19,627</b>            | 17,916                   |
| (c) Long-term provisions   | 7        | <b>2,337</b>             | 1,959                    |
| <b>Current liabilities</b>   |          |                          |                          |
| (a) Short-term borrowings  | 8        | <b>324,867</b>           | 296,889                  |
| (b) Trade payables   | 9        | <b>60,580</b>            | 125,930                  |
| (c) Other current liabilities  | 10       | <b>97,777</b>            | 88,964                   |
| (d) Short-term provisions  | 11       | <b>62,835</b>            | 40,876                   |
| <b>TOTAL</b>   |          | <b>1,266,034</b>         | 1,271,189                |
| <b>II. ASSETS</b>  |          |                          |                          |
| <b>Non-current assets</b>  |          |                          |                          |
| (a) Fixed assets   |          |                          |                          |
| (i) Tangible assets  | 12       | <b>325,858</b>           | 346,234                  |
| (ii) Intangible assets   | 12       | <b>1,187</b>             | 1,204                    |
| (iii) Capital work-in-progress   | 12       | <b>38,112</b>            | 36,170                   |
| (iv) Intangible Assets Under Development   | 12       | <b>4,283</b>             | 3,551                    |
| (b) Non-current investments  | 13       | <b>175,773</b>           | 175,773                  |
| (c) Long-term loans and advances   | 14       | <b>4,999</b>             | 6,340                    |
| (d) Other non-current assets   | 15       | <b>73,429</b>            | 74,469                   |
| <b>Current assets</b>  |          |                          |                          |
| (a) Current Investments  | 16       | <b>3,057</b>             | 1,757                    |
| (b) Inventories  | 17       | <b>233,836</b>           | 287,967                  |
| (c) Trade receivables  | 18       | <b>240,842</b>           | 240,787                  |
| (d) Cash and cash equivalents  | 19       | <b>81,798</b>            | 3,651                    |
| (e) Short-term loans and advances  | 20       | <b>74,526</b>            | 85,920                   |
| (f) Other current assets   | 21       | <b>8,334</b>             | 7,366                    |
| <b>TOTAL</b>   |          | <b>1,266,034</b>         | 1,271,189                |
| <b>III. The accompanying notes form an integral part of the standalone financial statements.</b> |          |                          |                          |
|  | 1 to 39  |                          |                          |

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/-  
MUKESH K. VERMA  
Chief Financial Officer

Sd/-  
RAM PRAVESH  
Company Secretary

Sd/-  
N.S. GHUMMAN  
Managing Director  
DIN00002052

Sd/-  
S.S. SANDHU  
Chairman  
DIN00002312

Place : New Delhi  
Dated : 30.05.2016





# SHIVALIK BIMETAL CONTROLS LIMITED

## STATEMENT OF PROFIT & LOSS ACCOUNT for the year ended 31<sup>st</sup> March, 2016



CIN:L27101HP1984PLC005862

( ₹ in '000, except per share data)

|  | Note No. | Year Ended<br>March 16 | Year Ended<br>March 15 |
|--|----------|------------------------|------------------------|
| <b>I. Revenue from operations</b>  | 22       | <b>988,498</b>         | 952,159                |
| <b>II. Other income</b>  | 23       | <b>7,696</b>           | 4,919                  |
| <b>III. Total Revenue (I + II)</b>   |          | <b>996,194</b>         | 957,078                |
| <b>IV. Expenses</b>  |          |                        |                        |
| (a) Cost of materials consumed   | 24       | <b>560,844</b>         | 577,483                |
| (b) Decrease/(Increase) in Stock   | 25       | <b>19,413</b>          | (20,738)               |
| (c) Employee benefits expense  | 26       | <b>115,028</b>         | 101,799                |
| (d) Finance costs  | 27       | <b>38,990</b>          | 31,984                 |
| (e) Manufacturing and other expense  | 28       | <b>158,028</b>         | 140,151                |
| (f) Depreciation expense   | 12       | <b>36,877</b>          | 31,705                 |
| <b>Total expenses</b>  |          | <b>929,180</b>         | 862,384                |
| <b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b> |          | <b>67,014</b>          | 94,694                 |
| <b>VI. Exceptional items (Income)/Expenses</b>                               | 29       | <b>2,019</b>           | 10,391                 |
| <b>VII. Profit before extraordinary items and tax (V - VI)</b>               |          | <b>64,995</b>          | 84,303                 |
| <b>VIII. Extraordinary Items</b>   |          | -                      | -                      |
| <b>IX. Profit before tax (VII - VIII)</b>                                    |          | <b>64,995</b>          | 84,303                 |
| <b>X. Tax expense</b>  |          |                        |                        |
| (a) Current tax  |          | <b>21,200</b>          | 32,000                 |
| (b) Current tax related to previous years                                    |          | <b>940</b>             | 2,253                  |
| (c) Deferred tax   |          | <b>1,711</b>           | 631                    |
|  |          | <b>23,851</b>          | 34,884                 |
| <b>XI. Profit (Loss) for the year (IX-X)</b>                                 |          | <b>41,144</b>          | 49,419                 |
| <b>XII. Earnings per equity share</b>  |          |                        |                        |
| (a) Basic  | 30       | <b>2.14</b>            | 2.57                   |
| (b) Diluted  | 30       | <b>2.14</b>            | 2.57                   |
| <b>XIII. Notes forming part of the Financial Statements</b>                  | 1 to 39  |                        |                        |

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/-  
MUKESH K. VERMA  
Chief Financial Officer

Sd/-  
RAM PRAVESH  
Company Secretary

Sd/-  
N.S. GHUMMAN  
Managing Director  
DIN00002052

Sd/-  
S.S. SANDHU  
Chairman  
DIN00002312

Place : New Delhi  
Dated : 30.05.2016



# SHIVALIK BIMETAL CONTROLS LIMITED



## CASH FLOW STATEMENT for the year ended on 31<sup>st</sup> March, 2016

CIN:L27101HP1984PLC005862

( ₹ in '000)

|   | Year ended<br>March 2016 | Year ended<br>March 2015 |
|---|--------------------------|--------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |                          |                          |
| Net Profit before tax and extraordinary items   | 64,995                   | 84,303                   |
| Adjustments for:  |                          |                          |
| Depreciation  | 36,877                   | 31,705                   |
| Interest Paid   | 38,990                   | 31,984                   |
| Interest Received   | (561)                    | (593)                    |
| Amount Written Back   | (885)                    | (1,439)                  |
| Debtors/ Unrecoverable Amount Written Off   | 43                       | 410                      |
| Exchange Difference on translation of foreign currency cash & cash equivalent-Loss/<br>(gain) | (1)                      | 7                        |
| (Profit)/Loss on sale of Fixed Asset  | 2,904                    | 1,894                    |
| <b>Operating Profit before Working Capital changes</b>  | <b>142,362</b>           | <b>148,271</b>           |
| Adjustment for :  |                          |                          |
| Trade and other receivables   | (350)                    | (20,902)                 |
| Inventories   | 55,423                   | (99,107)                 |
| Trade Payables  | (48,464)                 | 44,255                   |
| Loans and Advances  | 21,700                   | (20,126)                 |
| <b>Cash generated from operations</b>   | <b>170,671</b>           | <b>52,391</b>            |
| Direct taxes paid   | (15,723)                 | (24,986)                 |
| Cash flow from Ordinary items   | 154,948                  | 27,405                   |
| <b>Net Cash flow from operating Activities</b>  | <b>154,948</b>           | <b>27,405</b>            |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>   |                          |                          |
| Purchase of Fixed Assets  | (24,621)                 | (187,278)                |
| Sale of Fixed Assets  | 5,233                    | 3,095                    |
| Capital Work In Progress  | (2,674)                  | 138,805                  |
| Capital Advance   | 1,128                    | (1,910)                  |
| Interest Received   | 561                      | 593                      |
| Long Term Investment  | -                        | (2,250)                  |
| Other Investment  | (1,300)                  | -                        |
| Net cash (used in)/ from investing activities   | (21,673)                 | (48,945)                 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>   |                          |                          |
| Proceeds from Bank Borrowings   | 27,978                   | 58,565                   |
| Vehicle Loan  | (4,550)                  | 1,869                    |
| Term Loan Paid  | (28,596)                 | 762                      |
| Unsecured Loan  | (10,693)                 | (7,455)                  |
| Interest Paid   | (38,990)                 | (31,984)                 |
| Unpaid Dividend Transferred to Investor Education & Protection Fund                           | (278)                    | (500)                    |
| <b>Net Cash (used in) from financing activities</b>   | <b>(55,129)</b>          | <b>21,257</b>            |
| <b>NET INCREASE/(DECREASE)IN CASH AND<br/>CASH EQUIVALENTS</b>                                | <b>78,146</b>            | <b>(284)</b>             |
| Cash and Cash equivalents as on 1st April, 2015 (Opening Balance)                             | 3,651                    | 3,942                    |
| Exchange Difference on translation of foreign currency cash & cash equivalent                 | 1                        | (7)                      |
| Cash and Cash equivalents as on 31st March,2016 (Closing Balance)                             | 81,798                   | 3,651                    |
| Cash and Cash equivalents as on 31st March, 2016 as per books                                 | 81,798                   | 3,651                    |

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/-  
MUKESH K.VERMA  
Chief Financial Officer

Sd/-  
RAM PRAVESH  
Company Secretary

Sd/-  
N.S. GHUMMAN  
Managing Director  
DIN00002052

Sd/-  
S.S. SANDHU  
Chairman  
DIN00002312

Place : New Delhi  
Dated : 30.05.2016



## SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2016)



### 1. COMPANY'S OVERVIEW

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

“Shivalik” is engaged in the business of manufacturing & sales of Thermostatic Bimetal / Trimetal strips, components 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 40 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 under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisional of the Act (to the extent notified). The financial statements are presented in Indian Rupee rounded off to the nearest Rupees in thousands.

#### 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 31<sup>st</sup> March, 2016)



### 2.6 Research & Development Expenditure

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

### 2.7 Revenue Recognition

- 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.
- 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.

### 2.8 Export Benefits

- Imports entitlements/Export obligations under Advance Licenses are accounted for at the time of purchase of Raw Materials/ Export sales.
- Other export incentives are accounted for as and when the claims thereof have been admitted by the authorities, at a value which can be fetched in the market.

### 2.9 Fixed Assets, Intangible Assets, Capital Work-in-Progress and Depreciation

- 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.

Subsequent expenditures related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

- 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.
- Capital work-in-progress represents the cost of tangible assets that are not yet ready for their intended use at the reporting date.
- Cost of in-house assembled/fabricated fixed assets comprise those costs that relate directly to the specific assets and other costs that are attributable to the assembly/fabrication thereof.
- Depreciation on Fixed Assets is provided based on useful lives of assets as prescribed in Schedule-II to Companies Act 2013 except in respect of followings assets where estimated useful life is different than these mentioned in Schedule II are as follows:-

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

\* For certain Plant & Machineries where the useful life of assets is different from those prescribed under Part C of Schedule II of Companies Act 2013, an internal assessment & Independent technical evaluation carried out by external Chartered Engineer. Based on the technical evaluation, the management believes that the useful lives as given above, best represents the period over which Company expects to use these assets.



## SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2016)



- f. Depreciation for double shift/ Triple shift is charged/ provided additionally for the period during which the assets are used for double or triple shift, respectively in accordance with Part C of Schedule II of Companies Act 2013

### 2.10 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.

### 2.11 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. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- c. In respect of Commodity Hedging transactions, gain/ losses on settlement are recognized in the profit & loss account.

### 2.12 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.

### 2.13 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.
- d. Compensation to employees, who opted for retirement under the Voluntary Retirement Scheme of the company, is charged to the statement of Profit & Loss in the year of exercise of option by the employee.



## SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31<sup>st</sup> March, 2016)



### 2.14 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.
- 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.

### 2.15 Inter unit Transactions

The Inter unit transactions are accounted for at the prevailing market prices. Annual Accounts are reported excluding inter-unit transfers/transactions.

### 2.16 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.

### 2.17 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.

### 2.18 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.

### 2.19 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 31<sup>st</sup> March, 2016



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 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|---|--------------------------------------|--------------------------------------|
| <b>Authorised</b>                                     |                                      |                                      |
| Equity Shares of ₹ 2/- each                           |                                      |                                      |
| 7,50,00,000 (Previous Year 7,50,00,000) equity shares | <b>150,000</b>                       | 150,000                              |
| <b>Issued, Subscribed and Paid up</b>                 |                                      |                                      |
| Equity Shares of ₹ 2/- each                           |                                      |                                      |
| 1,92,01,400 (Previous Year 1,92,01,400) equity shares | <b>38,403</b>                        | 38,403                               |
| <b>Total</b>  | <b>38,403</b>                        | 38,403                               |

#### 3.1 Reconciliation of Number of Shares

| Particulars                        | Equity Shares (Numbers)              |                                      |
|------------------------------------|--------------------------------------|--------------------------------------|
|                                    | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
| Shares as at beginning of the year | <b>19,201,400</b>                    | 19,201,400                           |
| Shares issued during the year      | -                                    | -                                    |
| Shares bought back during the year | -                                    | -                                    |
| Shares as at end of the year       | <b>19,201,400</b>                    | 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 31st March 2016 |                 | As at 31st March 2015 |                 |
|--------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
|                                      | No. of<br>Shares held | % of<br>Holding | No. of<br>Shares held | % of<br>Holding |
| Mr. N. S. Ghumman                    | <b>1,465,000</b>      | <b>7.63</b>     | 1,465,000             | 7.63            |
| O D Finance and Investment Pvt. Ltd. | <b>1,536,989</b>      | <b>8.00</b>     | 1,536,989             | 8.00            |
| Ultra Portfolio Management Pvt. Ltd. | <b>978,590</b>        | <b>5.10</b>     | 978,590               | 5.10            |
| TSL Holdings Limited                 | <b>2,790,200</b>      | <b>14.53</b>    | 2,790,200             | 14.53           |
| Angad Estates Pvt. Ltd.              | <b>1,655,000</b>      | <b>8.62</b>     | 1,655,000             | 8.62            |





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 4. Reserves and Surplus

|   | ( ₹ in '000)                         |                                      |
|---|--------------------------------------|--------------------------------------|
| Particulars                                       | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
| <b>(a) Capital Reserve</b>                        |                                      |                                      |
| Opening Balance                                   | 57                                   | 57                                   |
| Add: Transferred during the year                  | -                                    | -                                    |
|   | 57                                   | 57                                   |
| <b>(b) General Reserve</b>                        |                                      |                                      |
| Opening Balance                                   | 233,707                              | 226,363                              |
| Add: Transferred from Profit & Loss Account       | 10,000                               | 10,000                               |
| Less: Adjustment for Depreciation on Fixed Assets | -                                    | 2,656                                |
|   | 243,707                              | 233,707                              |
| <b>(c) Profit &amp; Loss Account</b>              |                                      |                                      |
| Opening balance                                   | 336,597                              | 297,178                              |
| Add: Profit for the year                          | 41,144                               | 49,419                               |
| Amount available for Appropriations               | 377,741                              | 346,597                              |
| Less: Appropriations                              |                                      |                                      |
| (i) Interim Dividend                              | -                                    | -                                    |
| (ii) Proposed Final Dividend                      | -                                    | -                                    |
| (iii) General Reserve                             | 10,000                               | 10,000                               |
|   | 367,741                              | 336,597                              |
|   | 611,505                              | 570,361                              |

### 5. Long Term Borrowings

|                       | ( ₹ in '000)                         |                                      |
|-----------------------|--------------------------------------|--------------------------------------|
| Particulars           | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
| <b>Secured</b>        |                                      |                                      |
| From Banks(*)         |                                      |                                      |
| Foreign Currency Loan | -                                    | 13,950                               |
| Rupee Loan            | 11,788                               | 25,015                               |
| Sub Total             | 11,788                               | 38,965                               |
| Vehicle Loan          | 3,450                                | 7,068                                |
| <b>Unsecured</b>      |                                      |                                      |
| From Others           | 32,865                               | 43,858                               |
| Total <sup>(1)</sup>  | 48,103                               | 89,891                               |

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

(1) Refer note no.-10:- Current Maturities of long term borrowings



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 6. Deferred Taxes

(₹ in '000)

| Particulars                           | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| <b>Deferred Tax Liabilities</b>       | <b>17,916</b>                        | 18,561                               |
| Depreciation on Fixed Assets          | <b>2,007</b>                         | (1,444)                              |
|                                       | <b>19,923</b>                        | 17,117                               |
| <b>Deferred Tax Assets</b>            |                                      |                                      |
| Employee Benefits                     | <b>201</b>                           | (767)                                |
| Others                                | <b>95</b>                            | (32)                                 |
|                                       | <b>296</b>                           | (799)                                |
| <b>Deferred Tax Liabilities (Net)</b> | <b>19,627</b>                        | 17,916                               |

### 7. Long Term Provisions

(₹ in '000)

| Particulars                         | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| (a) Provision for employee benefits |                                      |                                      |
| – Unavailed Leave                   | <b>2,290</b>                         | 1,883                                |
| (b) Other Provisions                |                                      |                                      |
| – Excise duty on Finished goods     | <b>47</b>                            | 76                                   |
|                                     | <b>2,337</b>                         | 1,959                                |

### 8. Short Term Borrowings

(₹ in '000)

| Particulars                     | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|---------------------------------|--------------------------------------|--------------------------------------|
| <b>Secured</b>                  |                                      |                                      |
| <b>Working Capital Loans</b>    |                                      |                                      |
| <b>From Banks<sup>(1)</sup></b> |                                      |                                      |
| Foreign Currency Loan           | <b>225,584</b>                       | 262,254                              |
| Rupee Loan                      | <b>99,283</b>                        | 34,635                               |
|                                 | <b>324,867</b>                       | 296,889                              |

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



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 9. Trade Payable

(₹ in '000)

| Particulars  | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|--|--------------------------------------|--------------------------------------|
| Micro, Small and Medium Enterprises <sup>(#)</sup> | 129                                  | 84                                   |
| Others   | 60,451                               | 125,846                              |
|  | <b>60,580</b>                        | 125,930                              |

(#) 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 period on account of principal amount due is ₹ 129 thousands (Previous year ₹ 84 thousands ) and interest due thereon is Nil (Previous year Nil)

### 10. Other Current Liabilities

(₹ in '000)

| Particulars   | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|---|--------------------------------------|--------------------------------------|
| (a) Current maturities of long-term borrowings (refer note no.-5) | 51,785                               | 53,836                               |
| (b) Interest accrued but not due on borrowings                    | 696                                  | 688                                  |
| (c) Interest accrued and due on borrowings                        | 425                                  | 843                                  |
| (d) Unclaimed dividends   | 639                                  | 917                                  |
| (e) Other Payables  |                                      |                                      |
| (i) Statutory Dues  | 5,865                                | 4,706                                |
| (ii) Advance From Customers                                       | 12,752                               | 14,339                               |
| (iii) Others  | 25,615                               | 13,635                               |
|   | <b>97,777</b>                        | 88,964                               |

### 11. Short Term provisions

(₹ in '000)

| Particulars                                     | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|---|--------------------------------------|--------------------------------------|
| (a) Provision for employee benefits             |                                      |                                      |
| i) Bonus  | 6,634                                | 1,778                                |
| ii) Unavailed Leave                             | 210                                  | 182                                  |
| (b) Provision for Excise Duty on Finished Goods | 1,388                                | 1,790                                |
| (c) Taxation                                    | 54,603                               | 37,126                               |
|   | <b>62,835</b>                        | 40,876                               |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 12. Non Current Assets- Fixed Assets

(₹ in '000)

|     | Fixed Assets                           | Gross Block          |                           |                           |                             |                                       |                            | Accumulated Depreciation |                       |                      |                                   |  | Net Block          |              |                       |                       |
|-----|--|----------------------|---------------------------|---------------------------|-----------------------------|---------------------------------------|----------------------------|--------------------------|-----------------------|----------------------|-----------------------------------|--|--------------------|--------------|-----------------------|-----------------------|
|     |  | As at 1st April 2015 | Additions during the year | Disposals during the year | Revaluations/ (Impairments) | Effect of Foreign Currency Difference | Borrowing Cost Capitalised | Other Adjustments        | As at 31st March 2016 | As at 1st April 2015 | Depreciation charged for the year | Adjustments to Retained Earnings due to change in Useful life# | Other Adjust-ments | On disposals | As at 31st March 2016 | As at 31st March 2015 |
| (a) | Tangible Assets                        |                      |                           |                           |                             |                                       |                            |                          |                       |                      |                                   |  |                    |              |                       |                       |
|     | Leasehold Land                         | 367                  |                           |                           | -                           |                                       |                            |                          | 367                   | -                    | -                                 | -  | -                  | -            | 367                   | 367                   |
|     | Land & Site Development                | 19,366               | 220                       |                           |                             |                                       |                            |                          | 19,586                | -                    | -                                 | -  | -                  | -            | 19,586                | 19,366                |
|     | Buildings                              | 38,062               |                           |                           | -                           |                                       |                            |                          | 38,062                | 16,521               | 2,492                             | -  | -                  | -            | 19,013                | 21,541                |
|     | Plant and Equipment                    | 403,556              | 16,102                    | 217                       | -                           | 1,363                                 |                            |                          | 420,804               | 152,140              | 21,576                            |  |                    | 142          | 173,574               | 251,416               |
|     | Furniture and Fixtures                 | 18,886               | 111                       |                           | -                           |                                       |                            |                          | 18,997                | 11,186               | 2,281                             |  |                    |              | 13,467                | 7,700                 |
|     | Vehicles                               | 67,395               | 4,796                     | 17,128                    | -                           |                                       |                            |                          | 55,063                | 24,279               | 8,669                             |  |                    | 9,098        | 23,850                | 43,116                |
|     | Office Equipment                       | 18,174               | 1,666                     | 128                       | -                           |                                       |                            |                          | 19,712                | 15,446               | 1,479                             |  |                    | 96           | 16,829                | 2,728                 |
|     | Total (a)                              | 565,806              | 22,895                    | 17,473                    | -                           | 1,363                                 | -                          |                          | 572,591               | 219,572              | 36,497                            | -  | -                  | 9,336        | 246,793               | 325,858               |
| (b) | Intangible Assets*                     |                      |                           |                           |                             |                                       |                            |                          |                       |                      |                                   |  |                    |              |                       |                       |
|     | Computer software                      | 3,333                | 363                       | -                         | -                           |                                       |                            |                          | 3,696                 | 2,129                | 380                               |  |                    |              | 2,509                 | 1,204                 |
|     | Total (b)                              | 3,333                | 363                       | -                         | -                           | -                                     | -                          |                          | 3,696                 | 2,129                | 380                               | -  | -                  | -            | 2,509                 | 1,204                 |
|     | Total (a+b)                            | 569,139              | 23,258                    | 17,473                    | -                           | 1,363                                 | -                          |                          | 576,287               | 221,701              | 36,877                            | -  | -                  | 9,336        | 249,242               | 327,045               |
|     | Previous year                          | 382,735              | 158,278                   | 8,548                     | -                           | 17,836                                | -                          |                          | 569,139               | 181,950              | 31,705                            | 3,932,283  | 7,674              | 3,560        | 221,701               | 200,785               |
| (c) | Capital Work In Progress :             |                      |                           |                           |                             |                                       |                            |                          |                       |                      |                                   |  |                    |              |                       |                       |
|     | Plant & Machinery under Installation   |                      |                           |                           |                             |                                       |                            |                          |                       |                      |                                   |  |                    |              | 38,112                | 36,170                |
|     | Total                                  |                      |                           |                           |                             |                                       |                            |                          |                       |                      |                                   |  |                    |              | 38,112                | 36,170                |
| (d) | Intangible Assets under Development**: |                      |                           |                           |                             |                                       |                            |                          |                       |                      |                                   |  |                    |              |                       |                       |
|     | ERP Server Under Development           |                      |                           |                           |                             |                                       |                            |                          |                       |                      |                                   |  |                    |              | 4,283                 | 3,551                 |
|     | Total                                  |                      |                           |                           |                             |                                       |                            |                          |                       |                      |                                   |  |                    |              | 4,283                 | 3,551                 |

\* Other than internally generated



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 12.1 Leasehold Land:

Leasehold Period: 95 years

Leasehold Installment: Nil

**12.2** In compliance with newly inserted para 46A of the Accounting Standard (AS)- 11 " The effect of changes in Foreign Exchange Rates", vide notification issued by the Ministry of Corporate Affairs , the company has adjusted ₹1,363 thousands (Previous year ₹17,836 thousands) to the cost of relevant fixed assets during the year.

### 13. Non Current Investments

(₹ in '000)

| Particulars   | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|---|--------------------------------------|--------------------------------------|
| <b>Other Investments</b>  |                                      |                                      |
| Unquoted, fully paid up   |                                      |                                      |
| <b>(a) In Equity Shares of Associate Companies</b>  |                                      |                                      |
| 222,750 shares in Shivalik Bimetal Engineers Pvt. Limited of ₹10/- each (Previous Year 222,750 shares of ₹10/- each)            | 2,228                                | 2,228                                |
| <b>(b) In Equity Shares of Joint Venture</b>  |                                      |                                      |
| 17,10,900 shares in Checon Shivalik Contact Solutions Pvt. Limited of ₹10/- each (Previous Year 17,10,900 shares of ₹10/- each) | 22,145                               | 22,145                               |
| 15,120,000 shares in Innovative Clad Solutions Pvt. Limited of ₹10/- each (Previous Year 15,120,000 shares of ₹10/- each)       | 151,200                              | 151,200                              |
| <b>(c) In Equity Shares of Other Company</b>  |                                      |                                      |
| 20,000 shares in Shivalik Solid Waste Management Pvt. Limited of ₹10/- each (Previous Year 20,000 shares of ₹10/- each)         | 200                                  | 200                                  |
|   | <b>175,773</b>                       | 175,773                              |

### 14. Long term Loans and Advances

(₹ in '000)

| Particulars                          | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>(a) Capital Advances</b>          | 1,560                                | 2,687                                |
|                                      | 1,560                                | 2,687                                |
| <b>(b) Security Deposits</b>         |                                      |                                      |
| Unsecured, considered good           |                                      |                                      |
| Balances with Government Authorities | 1,404                                | 1,404                                |
| Others                               | 1,864                                | 1,863                                |
|                                      | 3,268                                | 3,267                                |
| <b>(c) Other loans and advances</b>  |                                      |                                      |
| Unsecured, Considered good           |                                      |                                      |
| Prepaid Expenses                     | 171                                  | 386                                  |
|                                      | 171                                  | 386                                  |
|                                      | <b>4,999</b>                         | 6,340                                |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 15. Other Non Current Assets

(₹ in '000)

| Particulars                            | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|--|--------------------------------------|--------------------------------------|
| <b>(a) Long Term Trade Receivables</b> |                                      |                                      |
| Unsecured                              |                                      |                                      |
| Considered good                        | 71,151                               | 70,899                               |
| Considered Doubtful <sup>@</sup>       | 9,940                                | 9,940                                |
|  | <u>81,091</u>                        | <u>80,839</u>                        |
| Less: Provision for Doubtful Debts     | 9,940                                | 9,940                                |
|  | <u>71,151</u>                        | <u>70,899</u>                        |
| <b>(b) Others</b>                      |                                      |                                      |
| Inventories                            | 2,278                                | 3,570                                |
|  | <u>2,278</u>                         | <u>3,570</u>                         |
|  | <u>73,429</u>                        | <u>74,469</u>                        |

<sup>@</sup>The company has initiated recovery proceedings against three irregular parties/ debtors who have been issued winding up directions or are under BIFR. Every possible efforts are being made for the recovery and management is of the belief that substantial amount will be recovered. However as a Prudent accounting policy/ practice an estimated amount was provided during F.Y. 2014-15 as doubtful of recovery, in the books of account.

### 16. Current Investments

(₹ in '000)

| Particulars                        | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Other Investments (valued at Cost) | 3,057                                | 1,757                                |
|                                    | <u>3,057</u>                         | <u>1,757</u>                         |

### 17. Inventories

(₹ in '000)

| Particulars                                    | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|--|--------------------------------------|--------------------------------------|
| <b>(a) Raw Materials</b>                       |                                      |                                      |
| (i) At Store                                   | 58,148                               | 68,042                               |
| (ii) At Bonded Warehouse                       | 71,494                               | 108,455                              |
| (iii) in transit                               | 20,238                               | 9,208                                |
|  | <u>149,880</u>                       | <u>185,705</u>                       |
| <b>(b) Work-in-Process</b>                     | 56,226                               | 68,644                               |
|  | <u>56,226</u>                        | <u>68,644</u>                        |
| <b>(c) Finished goods</b>                      |                                      |                                      |
| (i) At Store                                   | 14,323                               | 21,270                               |
| (ii) in transit                                | 91                                   | -                                    |
|  | <u>14,414</u>                        | <u>21,270</u>                        |
| <b>(d) Stores, Spares and Packing Material</b> | 13,226                               | 12,214                               |
|  | <u>13,226</u>                        | <u>12,214</u>                        |
| <b>(e) Scrap</b>                               | 90                                   | 134                                  |
|  | <u>90</u>                            | <u>134</u>                           |
|  | <u>233,836</u>                       | <u>287,967</u>                       |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 18. Trade Receivables

(₹ in '000)

| Particulars   | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|---|--------------------------------------|--------------------------------------|
| Trade Receivables<br>(Unsecured and Considered Good)        |                                      |                                      |
| (a) Over six months from the date they were due for payment | 2,861                                | 1,295                                |
| (b) Others  | 237,981                              | 239,492                              |
|   | 240,842                              | 240,787                              |

### 19. Cash and Cash Equivalents

(₹ in '000)

| Particulars                               | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|---|--------------------------------------|--------------------------------------|
| (a) Balances with banks in                |                                      |                                      |
| - Current Accounts                        | 423                                  | 1,336                                |
| - Fixed Deposits                          | 80,000                               | -                                    |
| - Current Accounts in Foreign Currency    | 591                                  | 1,079                                |
| (b) Cash on hand                          | 145                                  | 319                                  |
| (c) Unpaid Dividend held in Bank Accounts | 639                                  | 917                                  |
|   | 81,798                               | 3,651                                |

### 20. Short Term Loans and Advances

(₹ in '000)

| Particulars                           | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Unsecured, considered good            |                                      |                                      |
| (a) Loans and advances to Employees   | 37                                   | 137                                  |
| (b) Prepaid Expenses                  | 2,338                                | 2,958                                |
| (c) Balances with Revenue authorities | 68,435                               | 70,317                               |
| (d) MAT Credit Entitlement            | -                                    | 895                                  |
| (e) Security Deposits                 | 20                                   | 40                                   |
| (f) Other loans and advances          | 3,696                                | 11,573                               |
|                                       | 74,526                               | 85,920                               |

### 21. Other Current Assets

(₹ in '000)

| Particulars  | As at 31 <sup>st</sup><br>March 2016 | As at 31 <sup>st</sup><br>March 2015 |
|--|--------------------------------------|--------------------------------------|
| a) Interest accrued but not due on FDR             | 464                                  | 1,063                                |
| b) Margin Money Deposit against Bank Guarantee (s) | 7,870                                | 6,303                                |
|  | 8,334                                | 7,366                                |





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 22. Revenue from Operations

(₹ in '000)

| Particulars              | Year Ended<br>March 16 | Year Ended<br>March 15 |
|--------------------------|------------------------|------------------------|
| Sale of products         | 1,037,671              | 1,000,487              |
| Less: Excise duty        | 69,297                 | 59,144                 |
|                          | <b>968,374</b>         | 941,343                |
| Other Operating Revenues | 20,124                 | 10,816                 |
|                          | <b>988,498</b>         | 952,159                |

### 23. Other Income

(₹ in '000)

| Particulars                                  | Year Ended<br>March 16 | Year Ended<br>March 15 |
|--|------------------------|------------------------|
| (a) Interest on deposits with bank           | 561                    | 593                    |
| (b) Interest on delayed Payment              | -                      | 200                    |
| (c) Rent Received                            | 360                    | 360                    |
| (d) Interest received on Income Tax refund   | -                      | 169                    |
| (e) Miscellaneous Income                     | 220                    | 71                     |
| (f) Export Incentives                        | 115                    | -                      |
| (g) Foreign Exchange Fluctuation Gain/(Loss) | 6,440                  | 3,526                  |
|  | <b>7,696</b>           | 4,919                  |

### 24. Cost of Materials Consumed

| Particulars | Year Ended March 16 |                  | Year Ended March 15 |                  |
|-------------|---------------------|------------------|---------------------|------------------|
|             | (₹ in '000)         | % of Consumption | (₹ in '000)         | % of Consumption |
| Imported    | 539,912             | 96%              | 548,599             | 95%              |
| Indigenous  | 20,932              | 4%               | 28,884              | 5%               |
|             | <b>560,844</b>      | <b>100%</b>      | 577,483             | 100%             |

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

(₹ in '000)

| Particulars                     | Year Ended March 16 |               | Year Ended March 15 |                 |
|---------------------------------|---------------------|---------------|---------------------|-----------------|
| <b>Inventory (at Beginning)</b> |                     |               |                     |                 |
| – Finished Goods                | 21,385              |               | 11,451              |                 |
| – Work-in-Process               | 68,834              |               | 58,057              |                 |
| – Scrap                         | 134                 | 90,353        | 107                 | 69,615          |
| <b>Inventory (at Close)</b>     |                     |               |                     |                 |
| – Finished Goods                | 14,492              |               | 21,385              |                 |
| – Work-in-Process               | 56,358              |               | 68,834              |                 |
| – Scrap                         | 90                  | 70,940        | 134                 | 90,353          |
| <b>(Increase)/Decrease</b>      |                     | <b>19,413</b> |                     | <b>(20,738)</b> |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 26. Employee Benefit Expenses

(₹ in '000)

| Particulars  | Year Ended<br>March 16 | Year Ended<br>March 15 |
|--|------------------------|------------------------|
| (a) Salaries and Wages   | 96,425                 | 86,264                 |
| (b) Contributions to -   |                        |                        |
| (i) Provident fund   | 5,310                  | 5,004                  |
| (ii) ESI Contribution  | 857                    | 705                    |
| (iii) Gratuity fund contributions  | 1,565                  | 1,592                  |
| (c) Staff welfare expenses   | 10,871                 | 9,215                  |
| <b>Total</b>   | <b>115,028</b>         | 102,780                |
| Less: Transferred to Expenses Pending for Capitalization                       | -                      | 981                    |
| <b>Employee Benefit Expenses transferred to Statement of Profit &amp; Loss</b> | <b>115,028</b>         | 101,799                |

#### 26.1 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.

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

(₹ in '000)

| Particulars                                   | 2015-16 | 2014-15 |
|---|---------|---------|
| (a) Employer's Contribution to Provident Fund | 3,160   | 3,214   |
| (b) Employer's Contribution to Pension Scheme | 2,150   | 1,790   |

##### (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:



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



| Particulars   | 2015-16        |                  | 2014-15        |                  |
|---|----------------|------------------|----------------|------------------|
|   | Gratuity       | Leave Encashment | Gratuity       | Leave Encashment |
| Discounting Rate (per annum)  | 8.00%          | 8.00%            | 8.00%          | 8.00%            |
| Rate of escalation in Salary (per annum)                              | 6.00%          | 6.00%            | 6.00%          | 6.00%            |
| Expected Rate of return on plan assets (per annum)                    | 9.00%          | -                | 9.00%          | -                |
| Expected Average remaining working lives of employees in no. of years | 21.13          | 21.13            | 21.24          | 21.24            |
| Mortality Table   | IALM (2006-08) |                  | IALM (2006-08) |                  |
|   | (₹ in '000)    |                  |                |                  |

| Particulars  | Gratuity (Funded) |         | Leave Encashment (Unfunded) |         |
|--|-------------------|---------|-----------------------------|---------|
|  | 2015-16           | 2014-15 | 2015-16                     | 2014-15 |
| <b>(a) Changes in Present Value of Obligation</b>  |                   |         |                             |         |
| Opening balance of Present value of obligation   | 12,759            | 10,713  | 2,010                       | 1,453   |
| Interest Cost  | 1,021             | 911     | 161                         | 124     |
| Current Service Cost   | 1,200             | 1,049   | 394                         | 349     |
| Benefits Paid  | (584)             | (479)   | (646)                       | (268)   |
| Actuarial (Gain)/Loss on Obligation  | 378               | 565     | 520                         | 352     |
| Closing Balance of Present value of obligation   | 14,774            | 12,759  | 2,439                       | 2,010   |
| <b>(b) Changes in Fair Value of Plan Assets</b>  |                   |         |                             |         |
| Opening balance of Fair Value of Plan Assets   | 11,688            | 10,244  | -                           | -       |
| Expected Return on Plan Assets   | 1,052             | 922     | -                           | -       |
| Employer's Contribution  | 1,929             | 989     | -                           | -       |
| Benefits paid  | (584)             | (479)   | -                           | -       |
| Actuarial Gain/ (Loss) on Plan Assets  | (18)              | 12      | -                           | -       |
| Closing balance of Fair value of Plan Assets   | 14,067            | 11,688  | -                           | -       |
| Actual return on Plan Assets   | 1,034             | 934     | -                           | -       |
| <b>(c) Percentage of each category of Plan Assets to total Fair value of Plan assets</b>               |                   |         |                             |         |
| Administered by Life Insurance Corporation of India  | 100%              | 100%    | -                           | -       |
| <b>(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets</b> |                   |         |                             |         |
| Closing Balance of Present Value of Obligation   | 14,774            | 12,759  | 2,439                       | 2,010   |
| Closing Balance of Fair Value of Plan Assets   | 14,067            | 11,688  | -                           | -       |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



| Particulars  | Gratuity (Funded) |         | Leave Encashment (Unfunded) |         |
|--|-------------------|---------|-----------------------------|---------|
|  | 2015-16           | 2014-15 | 2015-16                     | 2014-15 |
| (Asset)/ Liability recognised the Balance Sheet                    | (707)             | 1,071   | 2,439                       | 2,010   |
| <b>(e) Amount Recognised in the Balance Sheet</b>                  |                   |         |                             |         |
| Closing Balance of Present Value of Obligation                     | 14,774            | 12,759  | 2,439                       | 2,010   |
| Closing Balance of Fair Value of Plan Assets                       | 14,067            | 11,688  | -                           | -       |
| Funded (Asset)/ Liability recognized in the Balance Sheet          | (707)             | 1,071   |                             |         |
| Unfunded Liability recognised in the Balance Sheet                 | -                 | -       | 2,439                       | 2,010   |
| <b>(f) Expenses recognised in the statement of Profit and Loss</b> |                   |         |                             |         |
| Current Service Cost   | 1,200             | 1,049   | 394                         | 349     |
| Interest Cost  | 1,021             | 911     | 161                         | 124     |
| Expected Return on Plan Assets                                     | (1,052)           | (922)   | -                           | -       |
| Net Actuarial (Gain)/Loss recognised in the period                 | 396               | 554     | 520                         | 352     |
| Expenses recognized in the statement of Profit and Loss            | 1,565             | 1,592   | 1,075                       | 825     |
| <b>(g) Experience Adjustments</b>                                  |                   |         |                             |         |
| Experience adjustment on Plan Liabilities (loss)/gain              | (378)             | (579)   | (520)                       | (355)   |
| Experience adjustment on Plan Assets (loss)/ gain                  | (18)              | 37      | -                           | -       |
| <b>(h) Expected employer contribution for the next year</b>        | 2,099             | 1,995   | 746                         | 631     |

### 27. Finance Costs

(₹ in '000)

| Particulars  | Year Ended<br>March 16 | Year Ended<br>March 15 |
|--|------------------------|------------------------|
| (a) Interest expense on  |                        |                        |
| (i) Borrowings   | 20,109                 | 25,158                 |
| (ii) Others  | 1,284                  | 674                    |
| (b) Other Borrowing costs  | 6,457                  | 6,414                  |
| (c) Applicable Loss on foreign currency transactions and translation | 12,424                 | 7,475                  |
| <b>Total</b>   | <b>40,274</b>          | <b>39,721</b>          |
| Less: Transferred to Expenses Pending for Capitalization             | 1,284                  | 7,737                  |
| <b>Finance Costs transferred to Statement of Profit &amp; Loss</b>   | <b>38,990</b>          | <b>31,984</b>          |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 28. Manufacturing & Other Expenses

(₹ in '000)

| Particulars   | Year Ended<br>March 16 | Year Ended<br>March 15 |
|---|------------------------|------------------------|
| Stores & Spares Consumed (refer note no.-28.1)                              | 17,570                 | 13,717                 |
| Power & Fuel  | 15,308                 | 11,769                 |
| Job Work Expenses   | 1,891                  | 1,913                  |
| Machinery Repairs   | 13,055                 | 12,365                 |
| Building Repairs  | 5,691                  | 3,419                  |
| Other Repairs   | 8,049                  | 8,637                  |
| Research & Development  | 1,762                  | 1,678                  |
| Insurance   | 635                    | 457                    |
| Rent, Rates and Taxes   | 8,049                  | 7,042                  |
| Travelling & Conveyance   | 10,633                 | 8,995                  |
| Electricity and Water Charges   | 1,236                  | 1,096                  |
| Printing & Stationery   | 1,373                  | 1,510                  |
| Communication Expenses  | 1,725                  | 1,656                  |
| Professional and Consultancy Charges  | 4,586                  | 5,276                  |
| Payment to Auditors (refer note no.-28.2)                                   | 3,860                  | 2,856                  |
| Business Promotion /Development, Advertisement & Publicity                  | 1,539                  | 1,841                  |
| Commission on Sales   | 20,457                 | 19,195                 |
| Packing Cost  | 17,205                 | 15,907                 |
| Forwarding & Freight  | 16,167                 | 16,154                 |
| Watch & Ward Expenses   | 565                    | 1,264                  |
| Irrecoverable Debts Written Off   | 43                     | 410                    |
| CSR Expenditure (refer note no.-28.3)                                       | 1,060                  | -                      |
| Miscellaneous Expenses  | 5,686                  | 5,055                  |
| Prior Period Expense (refer note no.-28.4)                                  | 315                    | 89                     |
| Excise Duty*  | (432)                  | 881                    |
| <b>Total</b>  | <b>158,028</b>         | <b>143,182</b>         |
| Less: Transferred to "Expenses Pending for Capitalization (Unit-IV)"        | -                      | 3,031                  |
| <b>Manufacturing Expenses transferred to Statement of Profit &amp; Loss</b> | <b>158,028</b>         | <b>140,151</b>         |

\* Excise Duty expense represents the difference between excise duty on opening and closing stock of finished goods.

#### 28.1. Stores & Spares consumed

| Particulars | Year Ended March 16<br>( ₹ in '000) | % of<br>Consumption | Year Ended March 15<br>( ₹ in '000) | % of<br>Consumption |
|-------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
| Imported    | 1,324                               | 8%                  | 1,082                               | 8%                  |
| Indigenous  | 16,246                              | 92%                 | 12,635                              | 92%                 |
|             | <b>17,570</b>                       | <b>100%</b>         | <b>13,717</b>                       | <b>100%</b>         |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 28.2 Payment to Auditors

(₹ in '000)

| Particulars                            | Year Ended<br>March 16 | Year Ended<br>March 15 |
|--|------------------------|------------------------|
| (a) Statutory Audit fee                | 1,600                  | 1,400                  |
| (b) Taxation matters                   | 700                    | 500                    |
| (c) Certification and Consultation fee | 1,560                  | 956                    |
|  | <b>3,860</b>           | <b>2,856</b>           |

### 28.3 CSR Expenditure

- Gross amount required to be spent by the Company during the year is ₹1,050 thousands.
- Amount spent during the year:

| Particulars                              | In Cash | Yet to be paid<br>in Cash | Total |
|--|---------|---------------------------|-------|
| On Construction/Acquisition of any asset | -       | -                         | -     |
| on Purpose other than the above          | 710     | 350                       | 1,060 |

### 28.4 Prior Period Items

(₹ in '000)

| Particulars          | Year Ended<br>March 16 | Year Ended<br>March 15 |
|----------------------|------------------------|------------------------|
| Prior Period Expense | 315                    | 89                     |
|                      | <b>315</b>             | <b>89</b>              |

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

(₹ in '000)

| Particulars                           | Year Ended<br>March 16 | Year Ended<br>March 15 |
|---------------------------------------|------------------------|------------------------|
| (a) Exceptional Items Expenses        |                        |                        |
| - Provision for Doubtful Debts        | -                      | 9,940                  |
| - Loss on Sale of Fixed Assets        | 3,239                  | 1,977                  |
|                                       | <b>3,239</b>           | <b>11,917</b>          |
| (b) Exceptional Items Income          |                        |                        |
| - Liabilities/Provisions Written Back | 885                    | 1,443                  |
| - Profit on Sale of Assets            | 335                    | 83                     |
|                                       | <b>1,220</b>           | <b>1,526</b>           |
| <b>Net (Income)/Expenses</b>          | <b>2,019</b>           | <b>10,391</b>          |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 30. Earnings Per Share

| Particulars  | Year Ended<br>March 16 | Year Ended<br>March 15 |
|--|------------------------|------------------------|
| Net Profit attributable to shareholders ( ₹ in '000) | <b>41,144</b>          | 49,419                 |
| Weighted average number of equity Shares             | <b>19,201,400</b>      | 19,201,400             |
| Basic and Diluted Earnings per share (₹)             | <b>2.14</b>            | 2.57                   |
| Face Value per Equity Share (₹)                      | <b>2</b>               | 2                      |

### 31.1 Earnings in Foreign Exchange

( ₹ in '000)

| Particulars                           | Year Ended<br>March 16 | Year Ended<br>March 15 |
|---------------------------------------|------------------------|------------------------|
| FOB Value of Exports (Net of Returns) | <b>401,123</b>         | 393,745                |

### 31.2 Expenditure in Foreign Currency

( ₹ in '000)

| Particulars                                      | Year Ended<br>March 16 | Year Ended<br>March 15 |
|--|------------------------|------------------------|
| (a) Travelling                                   | <b>2,879</b>           | 2,313                  |
| (b) Professional Fees                            | <b>90</b>              | 165                    |
| (c) Export Commission                            | <b>3,735</b>           | 3,019                  |
| (d) Interest Paid on Foreign Currency Borrowings | <b>3,909</b>           | 4,357                  |
| (e) Bank Charges                                 | <b>655</b>             | 955                    |

### 31.3 Value of Imports on CIF basis in respect of

( ₹ in '000)

| Particulars       | Year Ended<br>March 16 | Year Ended<br>March 15 |
|-------------------|------------------------|------------------------|
| (a) Raw Material  | <b>431,564</b>         | 540,618                |
| (b) Capital Goods | <b>3,072</b>           | 3,177                  |
| (c) Spares parts  | <b>1,963</b>           | 1,066                  |

### 32. Contingent Liabilities in respect of:

( ₹ in '000)

| Particulars   | Year Ended<br>March 16 | Year Ended<br>March 15 |
|---|------------------------|------------------------|
| <b>(A) Contingent Liabilities</b>                             |                        |                        |
| (I) Claim Against the Company Not Acknowledged as Debts       | -                      | -                      |
| (II) Guarantees   |                        |                        |
| (a) Bank Guarantee(s) submitted                               | <b>31,482</b>          | 25,213                 |
| (b) Letters of Credit established by the bank                 | <b>13,093</b>          | -                      |
| (c) Corporate Guarantee(s) on behalf of JV/ Associate Company | <b>73,700</b>          | 74,600                 |





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



| Particulars   | Year Ended<br>March 16 | Year Ended<br>March 15 |
|---|------------------------|------------------------|
| (d) Surety with Sales Tax Department  | 500                    | 500                    |
| (III) Other Money for which the Company is Contingently Liable  |                        |                        |
| (a) Buyers Credit Interest payable  | 659                    | 418                    |
| (b) Customs duty on Material imported against Advance License<br>/EPCG Scheme/Annexure, for pending export obligation   | 7,461                  | 8,685                  |
| <b>(B) Commitments</b>  |                        |                        |
| (a) Estimated amount of contracts (net of advances) exceeding<br>₹ 1.00 lakh in each case remaining to be executed on capital<br>account and not provided for | 30,734                 | 33,396                 |

- 33.** The Company was issued SCNs (Show Cause Notices) w.r.t. admissibility of Cenvat Credit amounting to ₹53,707 thousands of Service Tax availed (Previous Year ₹ 51,533 thousands) and ₹1,787 thousands (Previous Year ₹1,787 thousands) towards cenvat credit of excise duty and ₹345 thousands (Previous Year ₹ 345 thousands) towards demand of excise duty on "dies and tools written off" by the Company.

The Company has sought legal opinion on the stated issue and has been advised that the SCNs issued by the department are bad in Law as such not tenable. Accordingly, the company has submitted replies to the referred SCNs, however the final decision from the appropriate authority is pending.

- 34.** Customs Duty not provided for in respect of materials lying in Bonded Warehouses / Materials in Transit as on Balance Sheet date, is of ₹20,338 thousands inclusive of Cenvatable amount of ₹14,350 thousands (Previous Year ₹25,142 thousands inclusive of Cenvatable amount of ₹19,229 thousands). However, the above policy has no impact on the operating results of the Company.
- 35.** Foreign currency exposures (Net) that are not hedged by forward contracts as on 31st March, 2016 amount to ₹1,87,409 thousands (Previous year ₹2,89,285 thousands).
- 36.** 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 against exports and stocks lying in warehouse at Germany, are located in India. The details of reportable segments are as under:-

### Secondary Segmental Information

(₹ in '000)

| Particulars    | India                  |                        | Rest of world          |                        | Total                  |                        |
|----------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                | Year Ended<br>March 16 | Year Ended<br>March 15 | Year Ended<br>March 16 | Year Ended<br>March 15 | Year Ended<br>March 16 | Year Ended<br>March 15 |
| Segment Sales  | 562,134                | 541,425                | 406,240                | 399,918                | 968,374                | 941,343                |
| Segment Assets | 155,264                | 151,468                | 88,334                 | 94,564                 | 243,598                | 246,032                |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 37. “Related Party Disclosure” for the year ended 31<sup>st</sup> March, 2016 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

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

| Sr. No. | Name of Related Party                       | Relationship   |
|---------|---|--|
| 1.      | Checon Shivalik Contact Solutions Pvt. Ltd. | Joint Venture  |
| 2.      | Innovative Clad Solutions Pvt. Ltd.         |  |
| 3.      | Shivalik Bimetal Engineers Pvt. Ltd.        | Associates   |
| 4.      | Mr. S. S Sandhu                             | Key Managerial Personnel (KMP)   |
| 5.      | Mr. N. S. Ghumman                           |  |
| 6.      | Mr. D. J. S. Sandhu                         |  |
| 7.      | Mr. Angad Sandhu                            | Relative of Key Managerial Personnel   |
| 8.      | Mr. Kanav Anand                             |  |
| 9.      | Mr. Kabir Ghumman                           |  |
| 10.     | TSL Holdings Ltd.                           | Enterprises over which Key Managerial Personnel are able to exercise significant influence |
| 11.     | Angad Estates Pvt. Ltd.                     |  |
| 12.     | Vishesh Credits Pvt. Ltd.                   |  |
| 13.     | Amar Engineering Company Pvt. Ltd.          |  |
| 14.     | Ultra Portfolio Management Pvt. Ltd.        |  |
| 15.     | O.D.Finance and Investment Pvt. Ltd.        |  |
| 16.     | Solan Hotels Private Ltd.                   |  |

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

(₹ in ‘000)

| Sr. No. | Nature of Transactions | Joint Venture     | Associates       | Key Managerial Personnel | Relative of Key Managerial Personnel | Enterprises over which KMP are able to exercise significant influence |
|---------|------------------------|-------------------|------------------|--------------------------|--------------------------------------|---|
| 1.      | Equity Shares          | -<br>(2,250)      | -<br>-           | -<br>-                   | -<br>-                               | -<br>-  |
| 2.      | Job Work Income        | 458<br>(509)      | -<br>-           | -<br>-                   | -<br>-                               | -<br>-  |
| 3.      | Rent Received          | -<br>-            | 410<br>(404)     | -<br>-                   | -<br>-                               | -<br>-  |
| 4.      | Job Work Expense       | 9<br>-            | 1,424<br>(2,181) | -<br>-                   | -<br>-                               | -<br>-  |
| 5.      | Goods Sold             | 732<br>(2,414)    | 58<br>(2,643)    | -<br>-                   | -<br>-                               | -<br>-  |
| 6.      | Goods Purchased        | 26,557<br>(3,487) | 6,697<br>(4,528) | -<br>-                   | -<br>-                               | -<br>-  |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



| Sr. No. | Nature of Transactions  | Joint Venture | Associates | Key Managerial Personnel | Relative of Key Managerial Personnel | Enterprises over which KMP are able to exercise significant influence |
|---------|---|---------------|------------|--------------------------|--------------------------------------|---|
| 7.      | Reimbursement of Expenses(Net)  | 287<br>(239)  | -<br>-     | -<br>-                   | -<br>-                               | -<br>-  |
| 8.      | Managerial Remuneration   | -<br>-        | -<br>-     | 18,897<br>(22,994)       | -<br>-                               | -<br>-  |
| 9.      | Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit. | -<br>-        | -<br>-     | -<br>-                   | 9,206<br>(6,776)                     | -<br>-  |
| 10.     | Rent Paid   |               |            | -<br>-                   | -<br>-                               | 6,574<br>(5,679)  |
| 11.     | Boarding and Lodging Expenses   | -<br>-        | -<br>-     | -<br>-                   | -<br>-                               | 313<br>(118)  |
| 12.     | Unsecured Loans   |               |            |                          |                                      |   |
|         | i) Taken  |               |            |                          |                                      | -<br>(7,900)  |
|         | ii) Repaid  |               |            |                          |                                      | 10,693<br>(18,130)  |
| 13.     | Finance Costs   | -<br>-        | -<br>-     | -<br>-                   | -<br>-                               | 5,911<br>(7,523)  |

### Balances as at 31st March 2016

|     |                   |                      |                  |        |        |                    |
|-----|-------------------|----------------------|------------------|--------|--------|--------------------|
| 14. | Investments       | 173,345<br>(173,345) | 2,228<br>(2,228) | -<br>- | -<br>- | -<br>-             |
| 15. | Security Deposits | -<br>-               | -<br>-           | -<br>- | -<br>- | 1,350<br>(1,350)   |
| 16. | Unsecured Loans   | -<br>-               | -<br>-           | -<br>- | -<br>- | 43,808<br>(54,501) |
| 17. | Payable           | 6,837<br>(290)       | 1,240<br>(289)   | -<br>- | -<br>- | 40<br>(4)          |
| 18. | Receivable        | 607<br>(147)         | -<br>-           | -<br>- | -<br>- | -<br>-             |

Figures in ( ) indicate previous year's figures.

### 38. Disclosure in respect of Associate

| Name of Company                      | Country of Incorporation | % of Voting power held as at |                  |
|--------------------------------------|--------------------------|------------------------------|------------------|
|                                      |                          | 31st March, 2016             | 31st March, 2015 |
| Shivalik Bimetal Engineers Pvt. Ltd. | India                    | 45%                          | 45%              |



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 39. Disclosure in respect of Joint Venture(s)

The company's Interest in the Joint Venture(s) are reported as Long Term Investment (refer note no.-13) and stated at cost. The Disclosure as AS -27 in respect of Investment in Joint Venture(s) is as under:

(₹ in '000)

| Name of Company  | Amount of Interest based on accounts for the<br>year ended 31st March 2016 (Unaudited) |               |               |               |               |                           |
|--|--|---------------|---------------|---------------|---------------|---------------------------|
|  | % of<br>shareholding   | Assets        | Liabilities   | Income        | Expenditure   | Contingent<br>Liabilities |
| <b>Checon Shivalik Contact Solutions<br/>Pvt. Ltd.</b> | <b>50.00%</b>  | <b>67,533</b> | <b>67,533</b> | <b>77,484</b> | <b>76,943</b> | <b>150</b>                |
|  | (50.00%)   | (64,293)      | (64,293)      | (71,997)      | (73,440)      | (225)                     |
| <b>Innovative Clad Solutions Private<br/>Limited</b>   | <b>16.01%</b>  | <b>83,186</b> | <b>83,186</b> | <b>46,934</b> | <b>55,803</b> | <b>6,066</b>              |
|  | (17.30%)   | (78,472)      | (78,472)      | (25,676)      | (43,856)      | (6,871)                   |

Figures in ( ) indicate previous year's audited figures.



# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS



To

## **The Members of Shivalik Bimetal Controls Limited**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Shivalik Bimetal Controls Limited ("hereinafter referred to as "the Company") and its jointly controlled companies & associate company (collectively referred to as "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### **Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Company, as aforesaid.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



## INDEPENDENT AUDITORS' REPORT



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) the consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of the written representations received from the directors of the Company as on 31 March 2016 taken on record by the Board of Directors of the Company and its jointly controlled companies & associate company, none of the Directors of the Group companies is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities in accordance with the generally accepted accounting practice – also refer note 33 to the consolidated financial statements;
  - ii. the Group, its jointly controlled companies & associates did not have any material foreseeable losses on long term contracts including derivatives contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled companies & associates company.

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

Sd/-  
**SURESH MALIK**  
Proprietor  
M.No. 080493

Place : New Delhi  
Dated: August 11, 2016



## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Shivalik Bimetal Controls Limited (hereinafter referred to as "the Company") and its jointly controlled companies & associate company, as of that date.

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

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

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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





## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company and its jointly controlled companies & associate company, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Sd/-  
**SURESH MALIK**  
Proprietor  
M.No. 080493

Place : New Delhi  
Dated: August 11, 2016



# SHIVALIK BIMETAL CONTROLS LIMITED



## CONSOLIDATED BALANCE SHEET as at 31<sup>st</sup> March 2016

CIN:L27101HP1984PLC005862

(₹ in '000)

|   | Note No. | As at<br>31st March 2016 |
|---|----------|--------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                            |          |                          |
| <b>Shareholders' funds</b>                                  |          |                          |
| (a) Share capital   | 3        | 38,403                   |
| (b) Reserves and surplus                                    | 4        | 509,252                  |
| <b>Non-current liabilities</b>                              |          |                          |
| (a) Long-term borrowings                                    | 5        | 48,926                   |
| (b) Deferred tax liabilities (Net)                          | 6        | 28,114                   |
| (c) Long-term provisions                                    | 7        | 2,626                    |
| <b>Current liabilities</b>                                  |          |                          |
| (a) Short-term borrowings                                   | 8        | 369,248                  |
| (b) Trade payables  | 9        | 81,704                   |
| (c) Other current liabilities                               | 10       | 103,065                  |
| (d) Short-term provisions                                   | 11       | 63,967                   |
| <b>TOTAL</b>  |          | <b>1,245,305</b>         |
| <b>II. ASSETS</b>   |          |                          |
| <b>Non-current assets</b>                                   |          |                          |
| (a) Fixed assets  |          |                          |
| (i) Tangible assets   | 12       | 407,075                  |
| (ii) Intangible assets                                      | 12       | 1,189                    |
| (iii) Capital work-in-progress                              | 12       | 38,494                   |
| (iv) Intangible Assets Under Development                    | 12       | 4,283                    |
| (b) Goodwill on Consolidation                               |          | 5,037                    |
| (c) Non Current Investments                                 | 13       | 4,848                    |
| (d) Long-term loans and advances                            | 14       | 9,981                    |
| (e) Other non-current assets                                | 15       | 73,968                   |
| <b>Current assets</b>                                       |          |                          |
| (a) Current Investments                                     | 16       | 3,057                    |
| (b) Inventories   | 17       | 265,670                  |
| (c) Trade receivables                                       | 18       | 263,041                  |
| (d) Cash and cash equivalents                               | 19       | 82,164                   |
| (e) Short-term loans and advances                           | 20       | 77,190                   |
| (f) Other current assets                                    | 21       | 9,308                    |
| <b>TOTAL</b>  |          | <b>1,245,305</b>         |
| <b>III. Notes forming part of the Financial Statements.</b> |          |                          |
|   | 1 to 36  |                          |

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/-  
MUKESH K. VERMA  
Chief Financial Officer

Sd/-  
RAM PRAVESH  
Company Secretary

Sd/-  
N.S. GHUMMAN  
Managing Director  
DIN00002052

Sd/-  
S.S. SANDHU  
Chairman  
DIN00002312

Place : New Delhi  
Dated : 11th August, 2016



# SHIVALIK BIMETAL CONTROLS LIMITED

## CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR the year ended on 31<sup>st</sup> March, 2016



CIN:L27101HP1984PLC005862

( ₹ in '000, except per share data)

|   | Note No. | Year Ended<br>March 16 |
|---|----------|------------------------|
| <b>I. Revenue from operations</b>   | 22       | <b>1,086,786</b>       |
| <b>II. Other income</b>   | 23       | <b>6,637</b>           |
| <b>III. Total Revenue (I + II)</b>  |          | <b>1,093,423</b>       |
| <b>IV. Expenses</b>   |          |                        |
| (a) Cost of materials consumed  | 24       | <b>634,789</b>         |
| (b) Decrease/(Increase) in Stock  | 25       | <b>9,906</b>           |
| (c) Employee benefits expense   | 26       | <b>128,953</b>         |
| (d) Finance costs   | 27       | <b>44,272</b>          |
| (e) Manufacturing and other expense   | 28       | <b>174,114</b>         |
| (f) Depreciation expense  | 12       | <b>43,122</b>          |
| <b>Total expenses</b>   |          | <b>1,035,156</b>       |
| <b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>          |          | <b>58,267</b>          |
| <b>VI. Exceptional items (Income)/Expenses</b>  | 29       | <b>2,016</b>           |
| <b>VII. Profit before extraordinary items and tax (V - VI)</b>                        |          | <b>56,251</b>          |
| <b>VIII. Extraordinary Items</b>  |          | <b>-</b>               |
| <b>IX. Profit before tax (VII - VIII)</b>   |          | <b>56,251</b>          |
| <b>X. Tax expense</b>   |          |                        |
| (a) Current tax   |          | <b>21,296</b>          |
| (b) Mat Credit Entitlement  |          | <b>-</b>               |
| (c) Current tax related to previous years   |          | <b>941</b>             |
| (d) Deferred tax  |          | <b>1,522</b>           |
|   |          | <b>23,759</b>          |
| <b>XI. Profit/(Loss) after tax before share of Profit /(Loss) of Associate (IX-X)</b> |          | <b>32,492</b>          |
| <b>XII Share in Profit/(Loss) of Associates</b>                                       |          | <b>767</b>             |
| <b>XIII Net Profit /Loss for the Year (XI+XII)</b>                                    |          | <b>33,259</b>          |
| <b>XIV Earnings per equity share</b>  |          |                        |
| (a) Basic   | 30       | <b>1.73</b>            |
| (b) Diluted   | 30       | <b>1.73</b>            |
| <b>XII Notes forming part of the Financial Statements</b>                             | 1-36     |                        |

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/-  
MUKESH K.VERMA  
Chief Financial Officer

Sd/-  
RAM PRAVESH  
Company Secretary

Sd/-  
N.S. GHUMMAN  
Managing Director  
DIN00002052

Sd/-  
S.S. SANDHU  
Chairman  
DIN00002312

Place : New Delhi  
Dated : 11th August, 2016



# SHIVALIK BIMETAL CONTROLS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT for the year ended on 31<sup>st</sup> March, 2016



CIN:L27101HP1984PLC005862

( ₹ in '000)

| Consolidated Cash Flow Statement for the  |  | Year ended<br>March 2016 |
|---|--|--------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |  |                          |
| Net Profit before tax and extraordinary items   |  | 65,682                   |
| Adjustments for:  |  |                          |
| Depreciation  |  | 43,122                   |
| Interest Paid   |  | 44,272                   |
| Interest Received   |  | (671)                    |
| Amount Written Back   |  | (887)                    |
| Debtors/ Unrecoverable Amount Written Off   |  | 53                       |
| Exchange Difference on translation of foreign currency cash & cash equivalent-Loss/(gain) |  | (1)                      |
| (Profit)/Loss on sale of Fixed Asset  |  | 2,904                    |
| <b>Operating Profit before Working Capital changes</b>                                    |  | <b>154,474</b>           |
| Adjustment for :  |  |                          |
| Trade and other receivables   |  | (2,664)                  |
| Inventories   |  | 46,223                   |
| Trade Payables  |  | (45,312)                 |
| Loans and Advances  |  | 20,485                   |
| <b>Cash generated from operations</b>   |  | <b>173,206</b>           |
| Direct taxes paid   |  | (15,718)                 |
| Cash flow from Ordinary items   |  | 157,488                  |
|   |  | -                        |
| <b>Net Cash flow from operating Activities</b>  |  | <b>157,488</b>           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>   |  |                          |
| Purchase of Fixed Assets  |  | (20,627)                 |
| Sale of Fixed Assets  |  | 3,743                    |
| Capital Work In Progress  |  | (1,731)                  |
| Capital Advance   |  | 1,092                    |
| Interest Received   |  | 671                      |
| Long Term Investment  |  | (767)                    |
| Other Investment  |  | (1,300)                  |
| Share Capital/Application Money   |  | (4,962)                  |
| Net cash (used in)/ from investing activities   |  | (23,881)                 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>   |  |                          |
| Proceeds from Bank Borrowings   |  | 35,803                   |
| Vehicle Loan  |  | (4,572)                  |
| Term Loan Paid  |  | (30,791)                 |
| Unsecured Loan  |  | (11,255)                 |
| Interest Paid   |  | (44,272)                 |
| Unpaid Dividend Transferred to Investor Education & Protection Fund                       |  | (278)                    |
|   |  | -                        |
| <b>Net Cash (used in) from financing activities</b>                                       |  | <b>(55,365)</b>          |
| <b>NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS</b>                                |  | <b>78,242</b>            |
| Cash and Cash equivalents as on 1st April, 2015 (Opening Balance)                         |  | 3,921                    |
| Exchange Difference on translation of foreign currency cash & cash equivalent             |  | 1                        |
| Cash and Cash equivalents as on 31st March,2016 (Closing Balance)                         |  | 82,164                   |
| Cash and Cash equivalents as on 31st March,2016 as per books                              |  | 82,164                   |

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/-  
MUKESH K. VERMA  
Chief Financial Officer

Sd/-  
RAM PRAVESH  
Company Secretary

Sd/-  
N.S. GHUMMAN  
Managing Director  
DIN00002052

Sd/-  
S.S. SANDHU  
Chairman  
DIN00002312

Place : New Delhi  
Dated : 11th August, 2016



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2016)



### 1. BACKGROUND

Shivalik Bimetal Controls Ltd. (referred to as “SBCL”, “Parent” or “the Company”) was incorporated in 1984. The Company is carrying on the business of manufacturing Thermostatic Bimetal / Trimetal strips & parts, parts of colour picture tubes and Shunt material. SBCL has the following Associate and Joint Venture as on 31st March 2016:

- a. Checon Shivalik Contact Solutions Pvt. Ltd. (referred to as “CSCS”), a company incorporated in India, is a Joint Venture Company wherein 50% of its Shares are held by the Company and is carrying on the business of manufacturing Electrical Contacts, Relays and Revits.
- b. Innovative Clad Solutions Pvt. Ltd. (referred to as “ICS”), a company incorporated in India, is a Joint Venture Company wherein 16.01% of its Shares are held by the Company. ICS is carrying on the business of manufacturing Clad products at SEZ Pithampur, Indore, M.P.
- c. Shivalik Bimetal Engineers Pvt. Ltd. (referred to as “SBEPL”), a company incorporated in India, is an Associate Company wherein 45% of its shares are held by the Company and is carrying on the business of manufacturing and repair of Dies and Tools.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) to comply with the requirements of section 129(3) of the Companies Act, 2013 (“Act”) and the Accounting Standards specified under section 133 of the “Act”, as applicable. The financial statements have been prepared under the historical cost convention on accrual basis. The Financial statements are presented in Indian Rupee rounded off to the nearest Rupees in thousands.

#### 2.2 PRINCIPLES OF CONSOLIDATION

Consolidated Financial Statements normally include Consolidated Balance Sheet, Consolidated Statement of Profit and Loss account, and Notes, other statements and explanatory material that form an integral part thereof, “Consolidated Cash Flow Statement” is presented in case the parent presents its own Cash Flow Statement. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Parent for its separate Financial Statements.

The Consolidated Financial Statements include the Financial Statements of the Company, its associate company and two joint venture Companies as at 31st March 2016 according to Accounting Standards-23 and 27 issued by ICAI on the following basis:

- a. The interests in Joint Ventures have been accounted by using the proportionate consolidation method by adding the book values of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balance / transactions and resulting unrealized profits in full as per, Accounting Standard (AS) 27- “Financial Reporting of Interest in Joint Ventures”.
- b. Investment in Associate Company has been accounted under the Equity Method as per Accounting Standard (AS) 23- “Accounting for Investments in Associates in Consolidated Financial Statements”.
- c. The difference between the cost of investment in Associate and Joint Venture's, over the net assets at the time of the acquisition of shares in associate and joint venture's is recognized in the financial statements as goodwill or capital reserve, as the case may be.

#### 2.3 Use of Estimates

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



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2016)



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.

### 2.4 Inventories

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

- a. Raw materials, stores and spares: At cost, on “FIFO” basis;
- b. Work-in-progress /Semi-Finished: At cost plus related cost of conversion including appropriate overheads. However in one of the joint venture companies i.e. Checon Shivalik Contact Solutions Private Limited, it is valued at weighted average costs including related overheads after providing for obsolescence, wherever considered necessary.
- c. Finished goods: At cost plus related cost of conversion including appropriate overheads and excise duty paid/ payable on such goods; and
- d. Saleable Scrap is valued at estimated realizable value

### 2.5 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.

### 2.6 Cash Flow Statements

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

### 2.7 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, at a value which can be fetched in the market.



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2016)



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

- 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.

Subsequent expenditures related to an item of tangible assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance.

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

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

\* For certain Plant & Machineries where the useful life of assets is different from those prescribed under Part C of Schedule II of Companies Act 2013, an internal assessment & Independent technical evaluation has been carried out by external Chartered Engineer. The management believes that the useful lives as given above, best represents the period over which Company expects to use these assets.

- e. Depreciation for double shift/ Triple shift is charged/ provided additionally for the period during which the assets are used for double or triple shift, respectively in accordance with Part C of Schedule II of Companies Act 2013
- f. Leasehold Land is being amortized over the leasehold term/life of the lease in Innovative Clad Solutions Private Limited.

### 2.11 Lease

Operating lease payments are charged to Profit and Loss Account on straight line basis over the lease term . Lease where the lessor effectively retains substantially all the risks and benefits of ownership are classified as operating lease.

### 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.





## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2016)



### 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. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- c. 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.
- d. Compensation to employees, who opted for retirement under the Voluntary Retirement Scheme of the company, is charged to the statement of Profit & Loss in the year of exercise of option by the employee.

### 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.
- 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.



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2016)



### 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 Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



Being the first year of consolidation, previous year figure have not been indicated.

### 3. Share Capital

(₹ in '000, except per share data)

| Particulars   | As at 31 <sup>st</sup><br>March 2016 |
|---|--------------------------------------|
| <b>Authorised</b>                                     |                                      |
| Equity Shares of ₹ 2/- each                           |                                      |
| 7,50,00,000 (Previous Year 7,50,00,000) equity shares | <b>150,000</b>                       |
| <b>Issued, Subscribed and Paid up</b>                 |                                      |
| Equity Shares of ₹ 2/- each                           |                                      |
| 1,92,01,400 (Previous Year 1,92,01,400) equity shares | <b>38,403</b>                        |
| <b>Total</b>  | <b>38,403</b>                        |

#### 3.1 Reconciliation of Number of Shares

| Particulars                        | Equity Shares<br>(Numbers)<br>As at 31 <sup>st</sup><br>March 2016 |
|------------------------------------|--|
| Shares as at beginning of the year | <b>19,201,400</b>  |
| Shares issued during the year      | -  |
| Shares bought back during the year | -  |
| Shares as at end of the year       | <b>19,201,400</b>  |

**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 31st March 2016 |                 |
|--------------------------------------|-----------------------|-----------------|
|                                      | No. of<br>Shares held | % of<br>Holding |
| Mr. N. S. Ghumman                    | <b>1,465,000</b>      | <b>7.63</b>     |
| O D Finance and Investment Pvt. Ltd. | <b>1,536,989</b>      | <b>8.00</b>     |
| Ultra Portfolio Management Pvt. Ltd. | <b>978,590</b>        | <b>5.10</b>     |
| TSL Holdings Limited                 | <b>2,790,200</b>      | <b>14.53</b>    |
| Angad Estates Pvt. Ltd.              | <b>1,655,000</b>      | <b>8.62</b>     |



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 4. Reserves and Surplus

(₹ in '000)

| Particulars  | As at 31 <sup>st</sup><br>March 2016 |
|--|--------------------------------------|
| <b>(a) Capital Reserve</b>   |                                      |
| Opening Balance  | 461                                  |
|  | <b>461</b>                           |
| <b>(b) General Reserve</b>   |                                      |
| Opening Balance  | 245,693                              |
| Add: Transferred from Profit & Loss Account                            | 10,000                               |
|  | <b>255,693</b>                       |
| <b>(c) Profit &amp; Loss Account</b>                                   |                                      |
| Opening balance  | 221,175                              |
| Add: Profit for the year   | 33,259                               |
| Amount available for Appropriations                                    | <b>254,434</b>                       |
| Add/(Less): Appropriations   |                                      |
| - General Reserve  | (10,000)                             |
| - Adjustment due to change in holding in joint venture during the year | 8,664                                |
|  | <b>253,098</b>                       |
|  | <b>509,252</b>                       |

### 5. Long Term Borrowings

(₹ in '000)

| Particulars               | As at 31 <sup>st</sup><br>March 2016 |
|---------------------------|--------------------------------------|
| <b>Secured</b>            |                                      |
| From Banks <sup>(*)</sup> |                                      |
| Rupee Loan                | 12,611                               |
| Sub Total                 | <b>12,611</b>                        |
| Vehicle Loan              | <b>3,450</b>                         |
| <b>Unsecured</b>          |                                      |
| From Others               | 32,865                               |
| Total <sup>(1)</sup>      | <b>48,926</b>                        |



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 6. Deferred Taxes

(₹ in '000)

| Particulars  | As at 31 <sup>st</sup><br>March 2016 |
|--|--------------------------------------|
| <b>Deferred Tax Liabilities</b>  | <b>26,592</b>                        |
| Depreciation on Fixed Assets   | 2,348                                |
| Less: Adjustment due to change in holding of joint venture during the year | 443                                  |
|  | <b>28,497</b>                        |
| <b>Deferred Tax Assets</b>   |                                      |
| Employee Benefits  | 288                                  |
| Others   | 95                                   |
|  | <b>383</b>                           |
| <b>Deferred Tax Liabilities (Net)</b>                                      | <b>28,114</b>                        |

### 7. Long Term Provisions

(₹ in '000)

| Particulars                                | As at 31 <sup>st</sup><br>March 2016 |
|--|--------------------------------------|
| <b>(a) Provision for employee benefits</b> |                                      |
| -Unavailed Leave                           | 2,579                                |
| -Gratuity                                  | -                                    |
| <b>b) Other Provisions</b>                 |                                      |
| -Excise duty on Finished goods             | 47                                   |
|  | <b>2,626</b>                         |

### 8. Short Term Borrowings

(₹ in '000)

| Particulars                     | As at 31 <sup>st</sup><br>March 2016 |
|---------------------------------|--------------------------------------|
| <b>Secured</b>                  |                                      |
| <b>Working Capital Loans</b>    |                                      |
| <b>From Banks<sup>(1)</sup></b> |                                      |
| Foreign Currency Loan           | 240,286                              |
| Rupee Loan                      | 127,212                              |
| <b>Unsecured</b>                |                                      |
| From Others                     | 1,750                                |
|                                 | <b>369,248</b>                       |

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



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 9. Trade Payable

(₹ in '000)

| Particulars                         | As at 31 <sup>st</sup><br>March 2016 |
|-------------------------------------|--------------------------------------|
| Micro, Small and Medium Enterprises | 179                                  |
| Others                              | 81,525                               |
|                                     | <b>81,704</b>                        |

### 10. Other Current Liabilities

(₹ in '000)

| Particulars   | As at 31 <sup>st</sup><br>March 2016 |
|---|--------------------------------------|
| (a) Current maturities of long-term debt (refer note no.-5) | 52,165                               |
| (b) Interest accrued but not due on borrowings              | 750                                  |
| (c) Interest accrued and due on borrowings                  | 449                                  |
| (d) Unclaimed dividends                                     | 639                                  |
| (e) Other Payables  |                                      |
| (i) Statutory Dues  | 6,296                                |
| (ii) Advance From Customers                                 | 15,191                               |
| (iii) Others  | 27,327                               |
| (iv) Forward Contract Liability                             | 248                                  |
|   | <b>103,065</b>                       |

### 11. Short Term provisions

(₹ in '000)

| Particulars                                     | As at 31 <sup>st</sup><br>March 2016 |
|---|--------------------------------------|
| (a) Provision for employee benefits             |                                      |
| i) Bonus  | 7,130                                |
| ii) Unavailed Leave                             | 253                                  |
| iii) Provision for Gratuity                     | 466                                  |
| (b) Provision for Excise Duty on Finished Goods | 1,418                                |
| (c) Taxation                                    | 54,700                               |
|   | <b>63,967</b>                        |



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 12. Non Current Assets- Fixed Assets

| (₹ in '000) |                                       |                      |                           |                           |                             |                                       |                            |  |                          |                      |                                   |  |  |           |              |                       |
|-------------|---------------------------------------|----------------------|---------------------------|---------------------------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------|----------------------|-----------------------------------|--|--|-----------|--------------|-----------------------|
|             | Fixed Assets                          | Gross Block          |                           |                           |                             |                                       |                            |  | Accumulated Depreciation |                      |                                   |  |  | Net Block |              |                       |
|             |                                       | As at 1st April 2015 | Additions during the year | Disposals during the year | Revaluations/ (Impairments) | Effect of Foreign Currency Difference | Borrowing Cost Capitalised | Adjustment due to change in holding in joint venture during the year | As at 31st March 2016    | As at 1st April 2015 | Depreciation charged for the year | Adjustments to Retained Earnings due to change in Useful life# | Adjustment due to change in holding in joint venture during the year |           | On disposals | As at 31st March 2016 |
| (a)         | Tangible Assets                       |                      |                           |                           |                             |                                       |                            |  |                          |                      |                                   |  |  |           |              |                       |
|             | Leasehold Land                        | 3,435                | -                         | -                         | -                           | -                                     | -                          | (229)  | 3,206                    | 699                  | 95                                | -  | (52)   | -         | 742          | 2,464                 |
|             | Land & Site Development               | 19,366               | 220                       | -                         | -                           | -                                     | -                          | -  | 19,586                   | -                    | -                                 | -  | -  | -         | -            | 19,586                |
|             | Buildings                             | 62,739               | -                         | -                         | -                           | -                                     | -                          | (1,840)  | 60,899                   | 20,744               | 3,255                             | -  | (315)  | -         | 23,684       | 37,215                |
|             | Plant and Equipment                   | 487,323              | 18,383                    | 217                       | -                           | 1,363                                 | 14                         | (4,126)  | 502,740                  | 172,154              | 26,057                            | -  | (1,007)  | 142       | 197,062      | 305,678               |
|             | Furniture and Fixtures                | 21,145               | 156                       | -                         | -                           | -                                     | -                          | (71)   | 21,230                   | 12,039               | 2,535                             | -  | (27)   | -         | 14,547       | 6,683                 |
|             | Vehicles                              | 70,306               | 4,817                     | 17,128                    | -                           | -                                     | -                          | (63)   | 57,932                   | 25,611               | 8,990                             | -  | (38)   | 9,098     | 25,465       | 32,467                |
|             | Office Equipment                      | 19,887               | 1,697                     | 128                       | -                           | -                                     | -                          | (58)   | 21,398                   | 16,758               | 1,804                             | -  | (50)   | 96        | 18,416       | 2,982                 |
|             | Total (a)                             | 684,201              | 25,273                    | 17,473                    | -                           | 1,363                                 | 14                         | (6,387)  | 686,991                  | 248,005              | 42,736                            | -  | (1,489)  | 9,336     | 279,916      | 407,075               |
| (b)         | Intangible Assets*                    |                      |                           |                           |                             |                                       |                            |  |                          |                      |                                   |  |  |           |              |                       |
|             | Computer software                     | 3,369                | 366                       | -                         | -                           | -                                     | -                          | (1)  | 3,734                    | 2,160                | 386                               | -  | (1)  | -         | 2,545        | 1,189                 |
|             | Total (b)                             | 3,369                | 366                       | -                         | -                           | -                                     | -                          | (1)  | 3,734                    | 2,160                | 386                               | -  | (1)  | -         | 2,545        | 1,189                 |
|             | Total (a+b)                           | 687,570              | 25,639                    | 17,473                    | -                           | 1,363                                 | 14                         | (6,388)  | 690,725                  | 250,165              | 43,122                            | -  | (1,490)  | 9,336     | 282,461      | 408,264               |
| (c)         | Capital Work In Progress :            |                      |                           |                           |                             |                                       |                            |  |                          |                      |                                   |  |  |           |              |                       |
|             | Plant & Machinery under Installation  |                      |                           |                           |                             |                                       |                            |  |                          |                      |                                   |  |  |           |              | 38,494                |
|             | Total                                 |                      |                           |                           |                             |                                       |                            |  |                          |                      |                                   |  |  |           |              | 38,494                |
| (d)         | Intangible Assets under Development*: |                      |                           |                           |                             |                                       |                            |  |                          |                      |                                   |  |  |           |              |                       |
|             | ERP Server Under Development          |                      |                           |                           |                             |                                       |                            |  |                          |                      |                                   |  |  |           |              | 4,283                 |
|             | Total                                 |                      |                           |                           |                             |                                       |                            |  |                          |                      |                                   |  |  |           |              | 4,283                 |





## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 13. Non Current Investments

(₹ in '000)

| Particulars   | As at 31 <sup>st</sup><br>March 2016 |
|---|--------------------------------------|
| <b>Other Investments</b>  |                                      |
| Unquoted, fully paid up   |                                      |
| <b>(a) In Equity Shares of Associates</b>   |                                      |
| 222,750 shares in Shivalik Bimetal Engineers Pvt. Limited of ₹10/- each (Previous Year 222,750 shares of ₹10/- each) (Includes Share of post acquisition profit of ₹2420 thousands) | <b>4,648</b>                         |
| <b>(b) In Equity Shares of Other Company</b>  |                                      |
| 20,000 shares in Shivalik Solid Waste Management Pvt. Limited of ₹10/- each (Previous Year 20,000 shares of ₹10/- each)   | <b>200</b>                           |
|   | <b>4,848</b>                         |

### 14. Long term Loans and Advances

(₹ in '000)

| Particulars                          | As at 31 <sup>st</sup><br>March 2016 |
|--------------------------------------|--------------------------------------|
| <b>(a) Capital Advances</b>          |                                      |
| Unsecured, considered good           | <b>1,595</b>                         |
|                                      | <b>1,595</b>                         |
| <b>(b) Security Deposits</b>         |                                      |
| Unsecured, considered good           |                                      |
| Balances with Government Authorities | <b>2,377</b>                         |
| Others                               | <b>1,990</b>                         |
|                                      | <b>4,367</b>                         |
| <b>(c) Other loans and advances</b>  |                                      |
| Unsecured, Considered good           |                                      |
| Custom Duty Recoverable              | <b>78</b>                            |
| Prepaid Expenses                     | <b>171</b>                           |
| MAT Credit Entitlement               | <b>3,770</b>                         |
|                                      | <b>4,019</b>                         |
|                                      | <b>9,981</b>                         |



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 15. Other Non Current Assets

(₹ in '000)

| Particulars                            | As at 31 <sup>st</sup><br>March 2016 |
|--|--------------------------------------|
| <b>(a) Long Term Trade Receivables</b> |                                      |
| Unsecured                              |                                      |
| Considered good                        | 71,174                               |
| Considered Doubtful <sup>@</sup>       | 10,093                               |
|  | <u>81,267</u>                        |
| Less: Provision for Doubtful Debts     | 10,093                               |
|  | <u>71,174</u>                        |
| <b>(b) Others</b>                      |                                      |
| Inventories                            | 2,794                                |
|  | <u>2,794</u>                         |
|  | <u>73,968</u>                        |

<sup>@</sup>The company has initiated recovery proceedings against three irregular parties/ debtors which have been issued winding up directions or are under BIFR. Every possible efforts are being made for the recovery and management is of the belief that substantial amount will be recovered. However as a Prudent accounting policy/ practice an estimated amount has been provided as doubtful of recovery, in the Books of Account.

### 16. Current Investments

(₹ in '000)

| Particulars                        | As at 31 <sup>st</sup><br>March 2016 |
|------------------------------------|--------------------------------------|
| Other Investments (valued at Cost) | 3,057                                |
|                                    | <u>3,057</u>                         |

### 17. Inventories

(₹ in '000)

| Particulars                                    | As at 31 <sup>st</sup><br>March 2016 |
|--|--------------------------------------|
| <b>(a) Raw Materials</b>                       |                                      |
| (i) At Store                                   | 66,166                               |
| (ii) At Bonded Warehouse                       | 71,494                               |
| (iii) in transit                               | 20,892                               |
|  | <u>158,552</u>                       |
| <b>(b) Work-in-Process</b>                     | 63,542                               |
|  | <u>63,542</u>                        |
| <b>(c) Finished goods</b>                      |                                      |
| (i) At Store                                   | 26,637                               |
|  | <u>26,637</u>                        |
| <b>(d) Stores, Spares and Packing Material</b> | 14,790                               |
|  | <u>14,790</u>                        |
| <b>(e) Scrap</b>                               | 2,149                                |
|  | <u>2,149</u>                         |
|  | <u>265,670</u>                       |



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 18. Trade Receivables

(₹ in '000)

| Particulars   | As at 31 <sup>st</sup><br>March 2016 |
|---|--------------------------------------|
| Trade Receivables<br>(Unsecured and Considered Good)        |                                      |
| (a) Over six months from the date they were due for payment | 3,174                                |
| (b) Others  | 259,867                              |
|   | <b>263,041</b>                       |

### 19. Cash and Cash Equivalents

(₹ in '000)

| Particulars                               | As at 31 <sup>st</sup><br>March 2016 |
|---|--------------------------------------|
| (a) Balances with banks in                |                                      |
| - Current Accounts                        | 757                                  |
| - Current Accounts in Foreign Currency    | 591                                  |
| - Fixed Deposits                          | 80,000                               |
| (b) Cash on hand                          | 177                                  |
| (c) Unpaid Dividend held in Bank Accounts | 639                                  |
|   | <b>82,164</b>                        |

### 20. Short Term Loans and Advances

(₹ in '000)

| Particulars                           | As at 31 <sup>st</sup><br>March 2016 |
|---------------------------------------|--------------------------------------|
| Unsecured, considered good            |                                      |
| (a) Loans and advances to Employees   | 43                                   |
| (b) Prepaid Expenses                  | 2,933                                |
| (c) Balances with Revenue authorities | 69,729                               |
| (d) MAT Credit Entitlement            | -                                    |
| (e) Security Deposits                 | 64                                   |
| (f) Other loans and advances          | 4,421                                |
|                                       | <b>77,190</b>                        |

### 21. Other Current Assets

(₹ in '000)

| Particulars  | As at 31 <sup>st</sup><br>March 2016 |
|--|--------------------------------------|
| a) Interest accrued but not due on FDR             | 543                                  |
| b) Margin Money Deposit against Bank Guarantee (s) | 8,765                                |
|  | <b>9,308</b>                         |



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 22. Revenue from Operations

(₹ in '000)

| Particulars              | Year Ended<br>March 16 |
|--------------------------|------------------------|
| Sale of products         | 1,137,747              |
| Less: Excise duty        | 70,619                 |
|                          | 1,067,128              |
| Other Operating Revenues | 19,658                 |
|                          | 1,086,786              |

### 23. Other Income

(₹ in '000)

| Particulars                                  | Year Ended<br>March 16 |
|--|------------------------|
| (a) Interest on deposits with bank           | 670                    |
| (b) Rent Received                            | 360                    |
| (c) Interest received on Income Tax refund   | 1                      |
| (d) Miscellaneous Income                     | 469                    |
| (e) Export Incentives                        | 115                    |
| (f) Foreign Exchange Fluctuation Gain/(Loss) | 5,022                  |
|  | 6,637                  |

### 24. Cost of Materials Consumed

| Particulars | Year Ended March 16 |                  |
|-------------|---------------------|------------------|
|             | (₹ in '000)         | % of Consumption |
| Imported    | 475,857             | 75%              |
| Indigenous  | 158,932             | 25%              |
|             | 634,789             | 100%             |

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

(₹ in '000)

| Particulars                     | Year Ended March 16 |         |
|---------------------------------|---------------------|---------|
| <b>Inventory (at Beginning)</b> |                     |         |
| – Finished Goods                | 24,360              |         |
| – Work-in-Process               | 76,690              |         |
| – Scrap                         | 1,597               | 102,647 |
| <b>Inventory (at Close)</b>     |                     |         |
| – Finished Goods                | 26,763              |         |
| – Work-in-Process               | 63,829              |         |
| – Scrap                         | 2,149               | 92,741  |
| <b>(Increase)/Decrease</b>      |                     | 9,906   |



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 26. Employee Benefit Expenses

(₹ in '000)

| Particulars  | Year Ended<br>March 16 |
|--|------------------------|
| (a) Salaries and Wages   | 108,171                |
| (b) Contributions to -   |                        |
| (i) Provident fund   | 5,824                  |
| (ii) ESI Contribution  | 944                    |
| (iii) Gratuity fund contributions  | 1,808                  |
| (c) Staff welfare expenses   | 12,206                 |
| <b>Total</b>   | <b>128,953</b>         |
|  | -                      |
| <b>Employee Benefit Expenses transferred to Statement of Profit &amp; Loss</b> | <b>128,953</b>         |

#### 26.1 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.

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

(₹ in '000)

| Particulars                                   | 2015-16 |
|---|---------|
| (a) Employer's Contribution to Provident Fund | 3,404   |
| (b) Employer's Contribution to Pension Scheme | 2,420   |

##### (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:



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



| Particulars  | 2015-16           |                             |
|--|-------------------|-----------------------------|
|  | Gratuity          | Leave Encashment            |
| Discounting Rate (per annum)   | 8.00%             | 8.00%                       |
| Rate of escalation in Salary (per annum)   | 6.00%             | 6.00%                       |
| Expected Rate of return on plan assets (per annum)   | 9.00%             |                             |
| Expected Average remaining working lives of employees in no. of years                                  | 21.13             | 21.13                       |
| Mortality Table  | IALM (2006-08)    |                             |
|  | (₹ in '000)       |                             |
| Particulars  | Gratuity (Funded) | Leave Encashment (Unfunded) |
|  | 2015-16           | 2015-16                     |
| <b>(a) Changes in Present Value of Obligation</b>  |                   |                             |
| Opening balance of Present value of obligation   | 13,401            | 2,289                       |
| Interest Cost  | 1,072             | 183                         |
| Current Service Cost   | 1,351             | 465                         |
| Benefits Paid  | (584)             | (715)                       |
| Actuarial (Gain)/Loss on Obligation  | 446               | 545                         |
| Closing Balance of Present value of obligation   | 15,686            | 2,767                       |
| <b>(b) Changes in Fair Value of Plan Assets</b>  |                   |                             |
| Opening balance of Fair Value of Plan Assets   | 12,043            | -                           |
| Expected Return on Plan Assets   | 1,084             | -                           |
| Employer's Contribution  | 1,993             | -                           |
| Benefits paid  | (584)             | -                           |
| Actuarial Gain/ (Loss) on Plan Assets  | (23)              | -                           |
| Closing balance of Fair value of Plan Assets   | 14,513            | -                           |
| Actual return on Plan Assets   | 1,050             | -                           |
| <b>(c) Percentage of each category of Plan Assets to total Fair value of Plan assets</b>               |                   |                             |
| Administered by Life Insurance Corporation of India  | 100%              | -                           |
| <b>(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets</b> |                   |                             |
| Closing Balance of Present Value of Obligation   | 15,686            | 2,767                       |
| Closing Balance of Fair Value of Plan Assets   | 14,513            | -                           |



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



| Particulars  | Gratuity<br>(Funded) | Leave<br>Encashment<br>(Unfunded) |
|--|----------------------|-----------------------------------|
|  | 2015-16              | 2015-16                           |
| (Asset)/ Liability recognised the Balance Sheet                    | 1,173                | 2,767                             |
| <b>(e) Amount Recognised in the Balance Sheet</b>                  |                      |                                   |
| Closing Balance of Present Value of Obligation                     | 15,686               | 2,767                             |
| Closing Balance of Fair Value of Plan Assets                       | 14,513               | -                                 |
| Funded (Asset)/ Liability recognized in the Balance Sheet          | 1,173                |                                   |
| Unfunded Liability recognised in the Balance Sheet                 | -                    | 2,767                             |
| <b>(f) Expenses recognised in the statement of Profit and Loss</b> |                      |                                   |
| Current Service Cost   | 1,351                | 465                               |
| Interest Cost  | 1,072                | 183                               |
| Expected Return on Plan Assets                                     | (1,084)              | -                                 |
| Net Actuarial (Gain)/Loss recognised in the period                 | 469                  | 545                               |
| Expenses recognized in the statement of Profit and Loss            | 1,808                | 1,193                             |
| <b>(g) Experience Adjustments</b>                                  |                      |                                   |
| Experience adjustment on Plan Liabilities (loss)/gain              | (454)                | (569)                             |
| Experience adjustment on Plan Assets (loss)/ gain                  | (23)                 | -                                 |
| <b>(h) Expected employer contribution for the next year</b>        | 2,304                | 842                               |

### 27. Finance Costs

(₹ in '000)

| Particulars  | Year Ended<br>March 16 |
|--|------------------------|
| (a) Interest expense on  |                        |
| (i) Borrowings   | 24,542                 |
| (ii) Others  | 1,310                  |
| (b) Other Borrowing costs  | 7,164                  |
| (c) Applicable Loss on foreign currency transactions and translation | 12,540                 |
| <b>Total</b>   | <b>45,556</b>          |
| Less: Transferred to Expenses Pending for Capitalization (Unit - IV) | 1,284                  |
| <b>Finance Costs transferred to Statement of Profit &amp; Loss</b>   | <b>44,272</b>          |





## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



### 28. Manufacturing & Other Expenses

(₹ in '000)

| Particulars   | Year Ended<br>March 16 |
|---|------------------------|
| Stores & Spares Consumed  | 20,189                 |
| Power & Fuel  | 18,511                 |
| Job Work Expenses   | 2,192                  |
| Machinery Repairs   | 13,272                 |
| Building Repairs  | 6,425                  |
| Other Repairs   | 8,784                  |
| Research & Development  | 1,762                  |
| Insurance   | 813                    |
| Rent, Rates and Taxes   | 8,924                  |
| Travelling & Conveyance   | 12,327                 |
| Electricity and Water Charges   | 1,343                  |
| Printing & Stationery   | 1,472                  |
| Communication Expenses  | 1,981                  |
| Professional and Consultancy Charges  | 5,417                  |
| Payment to Auditors   | 4,351                  |
| Business Promotion /Development, Advertisement & Publicity                  | 2,061                  |
| Commission on Sales   | 20,651                 |
| Packing Cost  | 17,882                 |
| Forwarding & Freight  | 17,503                 |
| Watch & Ward Expenses   | 1,119                  |
| Irrecoverable Debts Written Off   | 53                     |
| CSR Expenditure   | 1,060                  |
| Miscellaneous Expenses  | 6,091                  |
| Prior Period Expense  | 357                    |
| Excise Duty*  | (426)                  |
| Total   | 174,114                |
| <b>Manufacturing Expenses transferred to Statement of Profit &amp; Loss</b> | <b>174,114</b>         |

\*Excise Duty expense represents the difference between excise duty on opening and closing stock of finished goods.



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



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

(₹ in '000)

| Particulars                           | Year Ended<br>March 16 |
|---------------------------------------|------------------------|
| (a) Exceptional Items Expenses        |                        |
| - Loss on Sale of Fixed Assets        | 3,238                  |
|                                       | <b>3,238</b>           |
| (b) Exceptional Items Income          |                        |
| - Liabilities/Provisions Written Back | 887                    |
| - Profit on Sale of Assets            | 335                    |
|                                       | <b>1,222</b>           |
| <b>Net (Income)/Expenses</b>          | <b>2,016</b>           |

### 30. Earnings Per Share

| Particulars  | Year Ended<br>March 16 |
|--|------------------------|
| Net Profit attributable to shareholders ( ₹ in '000) | 33,259                 |
| Weighted average number of equity Shares             | 19,201,400             |
| Basic and Diluted Earnings per share (₹)             | 1.73                   |
| Face Value per Equity Share (₹)                      | 2                      |

### 31. Contingent Liabilities in respect of:

( ₹ in '000)

| Particulars   | Year Ended<br>March 16 |
|---|------------------------|
| <b>(A) Contingent Liabilities</b>   |                        |
| (I) Claim Against the Company Not Acknowledged as Debts   | 576                    |
| (II) Guarantees   |                        |
| (a) Bank Guarantee(s) submitted   | 31,482                 |
| (b) Letters of Credit established by the bank   | 13,093                 |
| (c) Corporate Guarantee(s) on behalf of JV/ Associate Company   | 73,700                 |
| (d) Surety with Sales Tax Department  | 650                    |
| (III) Other Money for which the Company is Contingently Liable  |                        |
| (a) Buyers Credit Interest payable  | 659                    |
| (b) Customs duty on Material imported against Advance License /EPCG Scheme, for pending export obligation | 7,461                  |
| (c) Local Sales Tax Authorities   | 540                    |



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



| Particulars   | Year Ended<br>March 16 |
|---|------------------------|
| (d) Custom Duty foregone on import of Raw Material, Capital Goods and others items being joint venture company in SEZ.                                  | <b>4,933</b>           |
| <b>(B) Commitments</b>  |                        |
| (a) Estimated amount of contracts (net of advances) exceeding ₹ 1.00 lakh in each case remaining to be executed on capital account and not provided for | <b>30,738</b>          |

### 32 The obligation for future lease rentals in respect of leased assets, aggregate to

(₹ in '000)

| Particulars  | Year Ended<br>March 16 |
|--|------------------------|
| (a) Lease rental due not later than one year                           | <b>603</b>             |
| (b) Lease rental due later than one year but not later than Four years | <b>1,350</b>           |
| (c) Lease rental due later than one year but not later than Five years | <b>611</b>             |

- 33.** The Company was issued SCNs (Show Cause Notices) w.r.t. admissibility of Cenvat Credit amounting to ₹53,707 thousands of Service Tax availed and ₹1,787 thousands towards cenvat credit of excise duty and ₹345 thousands towards demand of excise duty on "dies and tools written off" by the Company.

The Company has sought legal opinion on the stated issue and has been advised that the SCNs issued by the department are bad in Law as such not tenable. Accordingly, the company has submitted replies to the referred SCNs, however the final decision from the appropriate authority is pending.

- 34.** Foreign currency exposures (Net) that are not hedged by forward contracts as on 31st March, 2016 amount to ₹2,67,666 thousands.

- 35.** "Related Party Disclosure" for the year ended 31st March, 2016 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

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

| Sr. No. | Name of Related Party                       | Relationship                         |
|---------|---|--------------------------------------|
| 1.      | Checon Shivalik Contact Solutions Pvt. Ltd. | Joint Venture                        |
| 2.      | Innovative Clad Solutions Pvt. Ltd.         |                                      |
| 3.      | Shivalik Bimetal Engineers Pvt. Ltd.        | Associates                           |
| 4.      | Mr. S. S Sandhu                             | Key Managerial Personnel (KMP)       |
| 5.      | Mr. N. S. Ghumman                           |                                      |
| 6.      | Mr. D. J. S. Sandhu                         |                                      |
| 7.      | Mr. Lalit Jukaria                           |                                      |
| 8.      | Mr. Claude Henri Pierret                    |                                      |
| 9.      | Mr. Angad Sandhu                            | Relative of Key Managerial Personnel |
| 10.     | Mr. Kanav Anand                             |                                      |
| 11.     | Mr. Kabir Ghumman                           |                                      |
| 12.     | Mr. Sumer Ghumman                           |                                      |



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2016



| Sr. No. | Name of Related Party                | Relationship   |
|---------|--------------------------------------|--|
| 13.     | TSL Holdings Ltd.                    | Enterprises over which Key Managerial Personnel are able to exercise significant influence |
| 14.     | Angad Estates Pvt. Ltd.              |  |
| 15.     | Amar Engineering Company Pvt. Ltd.   |  |
| 16.     | Ultra Portfolio Management Pvt. Ltd. |  |
| 17.     | O.D.Finance and Investment Pvt. Ltd. |  |
| 18.     | Solan Hotels Private Ltd.            |  |

(ii) Transactions during the year with related parties: (₹ in '000)

| Sr. No. | Nature of Transactions  | Key Managerial Personnel | Relative of Key Managerial Personnel | Enterprises over which KMP are able to exercise significant influence |
|---------|---|--------------------------|--------------------------------------|---|
| 1.      | Managerial Remuneration   | 19,553                   | -                                    | -   |
| 2.      | Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit. |                          | 10,949                               | -   |
| 3.      | Rent Paid   | -                        | -                                    | 6,724   |
| 4.      | Boarding and Lodging Expenses   | -                        | -                                    | 313   |
| 5.      | Unsecured Loans   |                          |                                      |   |
|         | i) Taken  |                          |                                      | 1,750   |
|         | ii) Repaid  |                          |                                      | 11,531  |
| 6.      | Finance Costs   | -                        | -                                    | 5,953   |

### Balances as at 31st March 2016

|    |                   |   |   |        |
|----|-------------------|---|---|--------|
| 7. | Security Deposits | - | - | 1,350  |
| 8. | Unsecured Loans   | - | - | 45,564 |
| 9. | Payable           | - | - | 40     |

### 36. Additional Information, as required under Schedule III of the Companies Act, 2013 of Enterprises consolidated as Associates and Joint Ventures.

(₹ in '000)

| S. No. | Name of Entity                             | Net Assets i.e. total assets minus total liabilities |           | Share in Profit & Loss                |          |
|--------|--|--|-----------|---------------------------------------|----------|
|        |  | As a % of Consolidated Net Assets                    | Amount    | As a % of Consolidated Profit or Loss | Amount   |
|        | <b>Parent</b>                              |  |           |                                       |          |
| 1.     | Shivalik Bimetal Controls Limited          | 118.67   | 649,909   | <b>123.71</b>                         | 41,145   |
|        | <b>Joint Ventures</b>                      |  |           |                                       |          |
| 1.     | Checon Shivalik Contact Solutions Pvt. Ltd | 9.70   | 53,118    | <b>2.48</b>                           | 825      |
| 2.     | Innovative Clad Solutions Pvt. Ltd         | 42.28  | 231,566   | <b>(166.78)</b>                       | (55,468) |
|        | <b>Associates</b>                          |  |           |                                       |          |
| 1.     | Shivalik Bimetal Engineers Pvt Ltd.        | 1.81   | 9,932     | <b>5.13</b>                           | 1,705    |
|        | CFS Adjustment and elimination             | (72.47)  | (396,870) | <b>135.46</b>                         | 45,053   |
|        | Total                                      | 100.00   | 547,655   | <b>100.00</b>                         | 33,259   |



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## 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 1<sup>st</sup> 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.



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## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

### SHIVALIK BIMETAL CONTROLS LIMITED

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

**CIN: L27101HP1984PLC005862**

Phone : +91-1792-230578, 230175, 230243, Email : nsghumman@shivalikbimetals.com,

Website: www.shivalikbimetals.com

|  |
|--|
| Name of the member (s): .....            |
| Registered Address: .....                |
| ..... E-mail ID: .....                   |
| Folio No. / Client Id: ..... DP ID:..... |

I/We, being the member (s) of ..... shares of the Shivalik Bimetal Controls Limited, hereby appoint.

- Name: ..... Address: .....  
EmailId: ..... Signature: .....
- Name: ..... Address: .....  
EmailId: ..... Signature: .....
- Name: ..... Address: .....  
EmailId: ..... Signature: .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Tuesday, the 20th September, 2016, at Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan -173213 (H.P.) at 10.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No. | Ordinary Business  |
|--------|--|
| 1      | To consider and adopt:<br>(a) the Audited Financial Statements of the Company for the Financial year ended at March 31, 2016, together with the Reports of the Board of Directors and Auditors thereon;<br>(b) the Consolidated Financial Statements of the Company for the Financial year ended at March 31, 2016 together with the Report of the Auditors thereon; |
| 2      | To appoint a Director in place of Mr. G. S. Gill (DIN: 00007393), who retires by rotation and being eligible offers himself for re-appointment.  |
| 3      | To appoint Auditors and fix their remuneration   |
|        | <b>Special Business</b>  |
| 4      | Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013   |
| 5      | Re-appointment of Mr. N. S. Ghumman, as Managing Director of the Company & Fixation of Remuneration.   |
| 6      | Revision in managerial remuneration of Mr. S. S. Sandhu, as Whole time Director of the Company.  |

Signed this ..... day of ..... 2016

Signature of Shareholder: .....

Signature of Proxy holder (s) : .....

Affix a  
Revenue  
Stamp of  
Rs. 1.00

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**

## Route Map for Annual General Meeting







## **SHIVALIK BIMETAL CONTROLS LIMITED**

CIN: L27101HP1984PLC005862

H-2, Suneja Chambers, 2<sup>nd</sup> Floor, Alaknanda Commercial Complex,  
New Delhi - 110019 (INDIA)

Phone : +91-11-26027174, 26026362, 26028175

Fax : +91-11-26026776, 26020806

Email : [investor@shivalikbimetals.com](mailto:investor@shivalikbimetals.com)

Website: [www.shivalikbimetals.com](http://www.shivalikbimetals.com)