



SHIVALIK BIMETAL CONTROLS LIMITED



BOARD OF DIRECTORS

S.S. Sandhu
Chairman

N.S. Ghumman
Managing Director

D.J.S. Sandhu, Dy. Managing Director

S.C. Verma

Director

A.K. Sud

Director

Rohit Kapur

Director

G.S. Gill

Director

N.J.S. Gill

Director

G.C. Prabhu

Director

K.S. Negi
CFO - Corporate

Pooja Hiranandani
Company Secretary

Auditors :

Malik S & Co.
Chartered Accountants
New Delhi

Bankers :

Indian Bank

Registrar & Transfer Agent :

M/s MAS Services Ltd.
T - 34, IInd Floor,
Okhla Industrial Area, Phase - II,
New Delhi - 110020
Tel. No. - (91) (11) 26387281, 26387282
Fax - (91) (11) 26387284
E-mail : mas_serv@yahoo.com

Regd. Office :

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

Head Office:

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

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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 circulars 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 79 of the Annual Report) and register the same with the Company by sending the same at the Registered Office or Head Office of the Company. Members can also intimate / update their e-mail address to the Company by sending an e-mail at investor@shivalikbimetals.com.

NOTICE is hereby given that the 27th Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Wednesday, the 28th day of September, 2011 at Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.), at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare final Dividend on equity shares for the year 2010-11.
3. To appoint a Director in place of Mr. Nirmaljeet Singh Gill, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. G. C. Prabhu, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT in modification of resolution no. 6 passed by the members at the Annual General Meeting held on 24th September, 2010, approving the increase in remuneration of Mr. N. S. Ghumman as Managing Director of the Company and in accordance with the provisions of the section 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approval and which may be agreed to and accepted by the Board of Directors of the Company and Mr. N. S. Ghumman, Managing Director of the Company, consent of the Company be and is hereby accorded for the revised remuneration of Mr. N. S. Ghumman, Managing Director of the Company, by way of salary from Rs. 3,00,000/- per month to Rs. 3,60,000/- per month plus other perquisites and benefits, w.e.f. 1st April, 2011 for a period of three years upto and including 31st March, 2014, on the following terms and conditions:-

A. SALARY:

The Managing Director's annual salary will be Rs. 43.20 Lacs (excluding perquisites), with authority to the Board of Directors of the Company to give annual increments not exceeding 20 % of the immediately previously drawn salary and payable in twelve (12) equal monthly installments, for a period of 3 years. All Payments received by the Managing Director pursuant to his appointment as Managing Director would be subject to applicable statutory deductions including tax deduction at source as applicable under the provisions of the Income Tax Act and the Rules made thereunder.

B. HOUSING:

House Rent Allowance may be provided by the Company subject to ceiling of 60% of basic salary.

OR

The Company may provide Rent Free Accommodation together with, in part or in full, Furniture and Fittings that's needed to set up home such as electrical appliances, air conditioners etc. during the tenure of Managing Director.

C. PERQUISITES:

- a. Medical Reimbursement: - Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.

- c. Club Fee: - Fee of Clubs subject to a maximum of two clubs provided that no life membership or admission fees will be allowed.
- d. Personal Accident Insurance: - Premium as per Rules of the Company.
- e. Company's contribution towards pension / superannuation as per Rules of the Company for the time being in force but such contribution together with Provident Fund shall not exceed 25% of the salary or such other increased amount provided that the same is not taxable under the Income Tax Act.
- f. Company's Contribution towards Provident Fund as per Rules of the Company for the time being in force but not to exceed 12% of the salary.
- g. Gratuity not exceeding half month's salary for each completed year of service, subject to a ceiling as per provisions of payment of Gratuity Act, 1972.
- h. Free use of telephone at residence but long distance personal calls shall be billed by the company.
- i. Free use of company's car with Driver for the business of the Company.
- j. Earned / Privilege Leave : One month's leave with full pay and allowances, for every 11 months of service subject to the condition that leave accumulated but not availed of during his tenure may be allowed to be encashed as per rules of the company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take all actions and do all such deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in this regard."

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

"RESOLVED THAT, in modification of the resolution no. 7 passed by the members at the Annual General Meeting held on 24th September, 2010, approving the increase in remuneration of Mr. S. S. Sandhu as Chairman & Whole-time Director of the Company and in accordance with the provisions of the section 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approval and which may be agreed to and accepted by the Board of Directors of the Company and Mr. S. S. Sandhu, Chairman and Whole Time Director of the Company, consent of the Company be and is hereby accorded for the revised remuneration of Mr. S. S. Sandhu, Chairman and Whole Time Director of the Company, by way of salary from Rs. 3,37,837/- per month (as approved by Central Government vide its letter ref no. A83835777/2/2010/CL.VII dated 6th January, 2011) to Rs. 3,60,000/- per month plus other perquisites and benefits, w.e.f. 1st April, 2011 for a period of three years upto and including 31st March, 2014, on the following terms and conditions:-

A. SALARY:

The Whole Time Director's annual salary will be Rs. 43.20 Lacs (excluding perquisites), with authority to the Board of Directors of the Company to give annual increments not exceeding 20 % of the immediately previously drawn salary and payable in twelve (12) equal monthly installments, for a period of 3 years. All Payments received by the Whole Time Director pursuant to his appointment as Whole Time Director would be subject to applicable statutory deductions including tax deduction at source as applicable under the provisions of the Income Tax Act and the Rules made thereunder.

B. HOUSING:

House Rent Allowance may be provided by the Company subject to ceiling of 60% of basic salary.

OR

The Company may provide Rent Free Accommodation together with, in part or in full, Furniture and Fittings that's needed to set up home such as electrical appliances, air conditioners etc. during the tenure of Whole Time Director.

C. PERQUISITES:

- a. Medical Reimbursement: - Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- c. Club Fee: - Fee of Clubs subject to a maximum of two clubs provided that no life membership or admission fees will be allowed.
- d. Personal Accident Insurance: - Premium as per Rules of the Company.
- e. Company's contribution towards pension / superannuation as per Rules of the Company for the time being in force but such contribution together with Provident Fund shall not exceed 25% of the salary or such other increased amount provided that the same is not taxable under the Income Tax Act.
- f. Company's Contribution towards Provident Fund as per Rules of the Company for the time being in force but not to exceed 12% of the salary.
- g. Gratuity not exceeding half month's salary for each completed year of service, subject to a ceiling as per provisions of payment of Gratuity Act, 1972.
- h. Free use of telephone at residence but long distance personal calls shall be billed by the company.
- i. Free use of company's car with Driver for the business of the Company.
- j. Earned / Privilege Leave : One month's leave with full pay and allowances, for every 11 months of service subject to the condition that leave accumulated but not availed of during his tenure may be allowed to be encashed as per rules of the company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take all actions and do all such deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in this regard."

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

"RESOLVED THAT, in modification of the resolution no. 8 passed by the members at the Annual General Meeting held on 24th September, 2010, approving the increase in remuneration of Mr. D. J. S. Sandhu as Deputy Managing Director of the Company and in accordance with the provisions of the section 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approval and which may be agreed to and accepted by the Board of Directors of the Company and Mr. D. J. S. Sandhu, Deputy Managing Director of the Company, consent of the Company be and is hereby accorded for the revised remuneration of Mr. D. J. S. Sandhu, Deputy Managing Director of the Company, by way of salary from Rs. 2,50,000/- per month to Rs. 3,00,000/- per month plus other perquisites and benefits, w.e.f. 1st April, 2011 for a period of three years upto and including 31st March, 2014, on the following terms and conditions:-

A. SALARY:

The Deputy Managing Director's annual salary will be Rs. 36.00 Lacs (excluding perquisites), with authority to the Board of Directors of the Company to give annual increments not exceeding 20 % of the immediately previously drawn salary and payable in twelve (12) equal monthly installments, for a period of 3 years. All

Payments received by the Deputy Managing Director pursuant to his appointment as Deputy Managing Director would be subject to applicable statutory deductions including tax deduction at source as applicable under the provisions of the Income Tax Act and the Rules made thereunder.

B. HOUSING:

House Rent Allowance may be provided by the Company subject to ceiling of 60% of basic salary.
OR

The Company may provide Rent Free Accommodation together with, in part or in full, Furniture and Fittings that's needed to set up home such as electrical appliances, air conditioners etc. during the tenure of Deputy Managing Director.

C. PERQUISITES:

- a. Medical Reimbursement: - Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- c. Club Fee: - Fee of Clubs subject to a maximum of two clubs provided that no life membership or admission fees will be allowed.
- d. Personal Accident Insurance: - Premium as per Rules of the Company.
- e. Company's contribution towards pension / superannuation as per Rules of the Company for the time being in force but such contribution together with Provident Fund shall not exceed 25% of the salary or such other increased amount provided that the same is not taxable under the Income Tax Act.
- f. Company's Contribution towards Provident Fund as per Rules of the Company for the time being in force but not to exceed 12% of the salary.
- g. Gratuity not exceeding half month's salary for each completed year of service, subject to a ceiling as per provisions of payment of Gratuity Act, 1972.
- h. Free use of telephone at residence but long distance personal calls shall be billed by the company.
- i. Free use of company's car with Driver for the business of the Company.
- j. Earned / Privilege Leave : One month's leave with full pay and allowances, for every 11 months of service subject to the condition that leave accumulated but not availed of during his tenure may be allowed to be encashed as per rules of the company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take all actions and do all such deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in this regard."

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

"RESOLVED THAT pursuant to section 198, 309 & 314 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce), the Company hereby accords its consent to Mr. G. C. Prabhu, a director of the Company, for holding and continue to hold an office or place of profit under the Company, in the capacity as a Professional Director, for providing his expertise and experienced services in the field of Engineering, with effect from 1st June, 2011 till 31st May, 2013 on remuneration of Rs. 1,25,000/- per month and on other terms and conditions as set out in his letter of Appointment, dated 6th June, 2011, which is placed before the meeting and subscribed by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it considers necessary, desirable or expedient for the purpose of giving effect to this resolution."

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

“RESOLVED THAT pursuant to section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or substitution thereof, consent of the Company be and is hereby accorded for increase in the remuneration of Mr. Angad Sandhu, a relative of Mr. S. S. Sandhu, Chairman & Whole Time Director of the Company, for holding and continue to hold office or place of profit in the Company as Assistant General Manager – Commercial, by way of salary from Rs. 6,00,000/- per annum to Rs. 7,50,000/- per annum plus other perquisites and benefits as per rules of the Company, w.e.f. 1st May, 2011, on the following terms and conditions:

- (i) Salary : Rs. 7,50,000/- per annum, with a provisions for increase in salary of not more than 25 % per annum over the previous year, every year until otherwise decided by the Board of Directors.
- (ii) In addition to salary, such other allowances, perquisites, benefits and amenities as applicable to the Company’s Executives in the similar grade.

RESOLVED FURTHER THAT the action of the Company for having made the payment of remuneration comprising salary and perquisites to Mr. Angad Sandhu w.e.f. 1st May, 2011, be and is hereby taken on record and ratified.”

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

“RESOLVED THAT pursuant to section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or substitution thereof, consent of the Company be and is hereby accorded for increase in the remuneration of Mr. Kanav Anand, a relative of Mr. D. J. S. Sandhu, Deputy Managing Director of the Company, for holding and continue to hold office or place of profit in the Company as Assistant General Manager (Marketing), by way of salary from Rs. 6,36,000/- per annum to Rs. 7,86,000/- per annum plus other perquisites and benefits as per rules of the Company, w.e.f. 1st May, 2011, on the following terms and conditions:

- (i) Salary : Rs. 7,86,000/- per annum, with a provisions for increase in salary of not more than 25 % per annum over the previous year, every year until otherwise decided by the Board of Directors.
- (ii) In addition to salary, such other allowances, perquisites, benefits and amenities as applicable to the Company’s Executives in the similar grade.

RESOLVED FURTHER THAT the action of the Company for having made the payment of remuneration comprising salary and perquisites to Mr. Kanav Anand w.e.f. 1st May, 2011, be and is hereby taken on record and ratified.”

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

“RESOLVED THAT pursuant to section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or substitution thereof, consent of the Company be and is hereby accorded to the appointment of Mr. Kabir Ghumman, a relative of Mr. N. S. Ghumman, Managing Director of the Company, to hold and continue to hold office or place of profit in the Company as Assistant General Manager - Plant, on a remuneration by way of salary of Rs. 7,54,632/- per annum plus other perquisites and benefits as per rules of the Company, w.e.f. 1st May, 2011, on the following terms and conditions:

- (i) Salary : Rs. 7,54,632/- per annum, with a provisions for increase in salary of not more than 25 % per annum over the previous year, every year until otherwise decided by the Board of Directors.
- (ii) In addition to salary, such other allowances, perquisites, benefits and amenities as applicable to the Company’s Executives in the similar grade.

RESOLVED FURTHER THAT the action of the Company for giving its consent to the appointment of Mr. Kabir Ghumman as Assistant General Manager - Plant and for having made the payment of remuneration comprising salary and perquisites to Mr. Kabir Ghumman w.e.f. 1st May, 2011, be and is hereby taken on record and ratified.”

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

“RESOLVED THAT in modification of the resolution passed by the Company at the Extra-ordinary General Meeting held on 29th day of April, 2011, pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company in terms of the aforesaid Section of the Act be and the same is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of money in any manner from time to time as may be required for the purpose of business of the Company with or without security and upon such terms and conditions as they may think fit, notwithstanding that moneys to be borrowed including by way of issue of debt instrument/NCDs together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed to aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not exceed Rs. 100.00 Crores (Rupees One Hundred Crore Only).

RESOLVED FURTHER THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company (the ‘Board’, which expression includes any Committee of the Board formed for this purpose) to create such charges, mortgages, hypothecations and encumbrances (which may be in addition to the existing charges, mortgages, hypothecations and encumbrances created by the Company) on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, provided that the aggregate amount of such loans (in respect of which such charges, mortgages, hypothecations and encumbrances is created), together with the interest thereon, additional interest, compound interest, liquidated damages, commitment charges and all other monies payable by the Company in respect of the said loans, shall not at any time exceed the limit of Rs. 100.00 Crores (Rupees One Hundred Crore Only).”

Place : New Delhi
Date : August 19, 2011

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

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

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

NOTES :

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. A proxy shall not have any right to speak at the meeting and shall not vote except on a poll.
2. The instrument appointing the proxy to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting.
3. An Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of the special business to be transacted at the meeting is annexed hereto.
4. Disclosures pursuant to Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment at forthcoming Annual General Meeting are given in Annexure.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 24.09.2011 to 28.09.2011 (both days inclusive) for the purpose of Annual General Meeting.
6. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants with whom the members are maintaining their demat accounts.
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. All documents referred to in the accompanying notice and the explanatory statements are available at the Registered Office of the Company.
10. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
11. 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.
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 circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to provide / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants or send an e-mail at info@masserv.com or investor@shivalikbimetal.com to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to intimate their e-mail address to MAS Services Limited either by e-mail at info@masserv.com or investor@shivalikbimetal.com or by sending a communication at the 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**

Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 6, 7 & 8

Information as required under sub clause (iv) of first proviso of clause (B) under section II of part II of schedule XIII of the Companies Act, 1956 for the increase in remuneration of Managerial Personnel based on effective capital of the Company.

General Information

The Company is engaged in business of manufacturing Thermostatic Bimetal / Trimetal Strips and Components since the year 1986. The manufacturing facilities are located at Chambaghat, District Solan, Himachal Pradesh, since inception of the Company. During the period of more than two and a half decades of its existence, the Company has been able to capture more than 80% of the domestic market of the Company's products, at the same time establishing exports to more than 35 countries world over. The Company has maintained steady growth and is poised for making major forays into Clad Products market using cold bonded technology.

There has been an increase of 21.99 % in sales and other income during the FY 2010-11 as compared to FY 2009-10. The Company achieved sales and other income of Rs. 9,647.16 lacs during the FY 2010-11 as compared to Rs. 7,908.36 lacs during the FY 2009-10.

The total foreign exchange earned by the Company for the FY 2010-11 comes to Rs. 3,428.15 lacs and the total foreign exchange spent by the Company during the same period aggregate to a sum of Rs. 4,418.36 lacs.

On January 1, 2011, 'Shivalik Bimetal Engineers Pvt. Ltd. (SBEPL), 100% Subsidiary of the Company had allotted 1,34,500 Equity Shares to shareholders other than Shivalik Bimetal Controls Limited (Shivalik). The resultant Shareholding of Shivalik in SBEPL is 45% of the total issued, subscribed and paid-up share capital, as such SBEPL is no longer a subsidiary of Shivalik w.e.f. 1st January, 2011.

The Joint Venture Company named Checon Shivalik Contact Solutions Pvt. Ltd. has achieved sales and other income of Rs. 1,163.41 lacs during the FY 2010-11 as compared to Rs. 586.40 lacs during the FY 2009-10. The Company's investment in the said Joint Venture Company stands at Rs. 118.95 lacs as on 31.03.2011.

The Joint Venture Company named Innovative Clad Solutions Pvt. Ltd., (ICS) in which your Company has 33.33 % share has set up manufacturing unit at Pithampur, District Dhar in Madhya Pradesh, India for manufacturing Industrial Clad Products and has commenced its commercial production w.e.f. 02.02.2010 in the FY 2009-10. This being a greenfield project, it has to go through the process of stabilization of manufacturing operations, sampling, dispatch of pilot lots, approval / acceptability of the product by the buyer. All this process is taking somewhat more time than envisaged earlier. However, your directors foresee positive commercial operations in the near future. The Company's investment in the said Joint Venture Company stands at Rs. 1052.00 lacs as at 31.03.2011.

Other information

The Company's PBT and PAT for year ended 31st March 2011 are Rs. 870.88 lacs & Rs. 643.18 lacs as against Rs. 691.24 lacs & Rs. 510.90 lacs for the year ended 31st March 2010 respectively. However, while determining net profits in the manner laid down in section 349, the overall managerial remuneration payable under the provisions of section 198 read with the provisions of section 309 of the Companies Act, 1956 exceeds the limit prescribed therein.

The increase in managerial remuneration has been proposed keeping in consideration the prevalent industry practices and hard work, devotion, efforts made and strategic association achieved by the Managerial Personnel for the sustained growth of the business of the Company.

The Company is making all out efforts to increase the capacity utilization, productivity and profitability of the Company. In line with Company's endeavor to establish itself as a major manufacturer and supplier of Bimetal world over, the

Company has acquired Plant & Machinery, equipment etc. from Kanthal AB, Halstahammer, Sweden (Kanthal AB together with Kanthal Bimetal is a part of the Sandvik Materials Technology, a leading manufacturer of high value-added tube, strip & wire products in advanced Stainless material & special alloys) for setting up an Industrial Undertaking (Unit IV) for manufacture of Cold Bonded Clad Strips of wider widths & Parts.

Disclosure

The Company through this notice accompanying Explanatory Statement is informing the shareholders of the Company regarding revision in the remuneration packages of Mr. N. S. Ghumman, Managing Director, Mr. S. S. Sandhu, Chairman and Whole-time Director and Mr. D. J. S. Sandhu, Deputy Managing Director.

The revised terms for remuneration, perquisites and allowances as set out in the accompanying notice may be treated as an abstract under Section 302 of the Companies Act, 1956.

As required under sub clause (ii) of first proviso of clause (B) under section II of part II of schedule XIII of the Companies Act, 1956, the Company has not made any default in repayment of any of its debts for continuous period of 30 days in the preceding financial year before the date of appointment of said managerial person.

Information about Mr. N. S. Ghumman, Managing Director

Mr. N. S. Ghumman, Managing Director of the Company was drawing a remuneration by way of salary of Rs. 3,00,000/- per month plus other perquisites and benefits w.e.f. 1st April 2008. At the Annual General Meeting held on 24th September, 2010, the members approved the increase in remuneration of Mr. N. S. Ghumman, subject to the approval of the Central Government, by way of salary to the extent Rs. 3,60,000/- per month plus other perquisites and benefits.

At the Extra-ordinary General Meeting of the Company held on 29th April, 2011, members had approved the reappointment of Mr. N. S. Ghumman as Managing Director of the Company for a period of 5 years from 1st April, 2011 to 31st March, 2016 (both days inclusive) on payment of remuneration, benefits and perquisites as approved by the members at the Annual General Meeting held on 24th September, 2010, subject to the approval of the Central Government.

The Central Govt. vide its letter ref no. A83841387/5/2011-CL-VII dated 13th May, 2011, has not approved the remuneration and other perks, as proposed in terms of resolution passed by the members on 24th September, 2010.

Thereafter, the Board considered the matter again and made a reference to the Remuneration Committee to consider the revised remuneration of Mr. N. S. Ghumman. The Remuneration Committee in its meeting held on 2nd May, 2011 has considered and approved the same, subject to approval of the shareholders in the forthcoming General Body Meeting and approval of Central Government.

Thereafter, the Board of Directors, at its meeting held on 12th May, 2011 has accepted the recommendation of the Remuneration Committee revising the remuneration, amenities and perquisites payable to Mr. N. S. Ghumman with effect from 1st April, 2011 for a period of 3 years, with annual increments of not exceeding 20 % of the immediately previously drawn salary, payable in twelve (12) equal monthly installments for each of the financial years, plus other perquisites and benefits as per rules of the Company, subject to the requisite approvals.

Mr. N. S. Ghumman, is a Graduate Engineer BE (Hons.). He is one of the promoters of the Company and has been the Managing Director of the Company since its inception. He has experience spread over 39 years in the field of Corporate, Financial Management, Administration, International Business and other Commercial Areas. He being a technical person is also responsible for production and technical related aspects. Prior to becoming Promoter-Director of the Company, he was the Chief Engineer in M/s Tradex Gestion SA General of Switzerland. During his tenure the company has diversified in many fields.

He is responsible to oversee production aspects of the Company at plant in Solan (Himachal Pradesh). He is the key instrumental for diversifying the company in many fields and to reach at this level.

In this connection it would be worthwhile to mention that during the tenure of his association as the Managing Director, the Company has shown growth all around, and has successfully diversified into new areas and has undertaken substantial

expansion of the Company's Existing Industrial units in accordance with Industrial Policy notified by the Government from time to time. The Company has consolidated in its core area of industrial activity. There has been continuous increase in exports by the Company. The Company with sustained efforts of the management, supported by team of dedicated personnel, is successfully managing and implementing the tools of cost controls, cost reduction, productivity planning etc. The Company is entering into various International markets which are offering promising opportunities.

The proposed increase in the remuneration payable to Mr. N. S. Ghumman is commensurate with his high professional qualification; vast experience gained in the industry and is in line with the industry standards, size of the Company, profile of the position prevalent in the Indian region. Mr. N. S. Ghumman is a relative of Mr. S. S. Sandhu, Chairman and Whole-time Director and Mr. D. J. S. Sandhu, Deputy Managing Director of the Company. Mr. N. S. Ghumman has pecuniary relationship with the Company directly or indirectly to the extent of his managerial remuneration only.

Therefore the Board of Directors recommends this resolution for the approval of the shareholders.

None of the Directors except Mr. N. S. Ghumman is concerned or interested in the proposed resolution.

Information about Mr. S. S. Sandhu, Chairman and Whole-time Director

Mr. S. S. Sandhu, Chairman and Whole-time Director of the Company had been drawing a remuneration by way of salary of Rs. 3,00,000/- per month plus other perquisites and benefits w.e.f. 1st April 2008. At the Annual General Meeting held on 24th September, 2010, the members approved the increase in remuneration of Mr. S. S. Sandhu, subject to the approval of the Central Government, by way of salary to the extent Rs. 3,60,000/- per month plus other perquisites and benefits.

The Central Government vide its letter ref no. A83835777/2/2010/CL.VII dated 6th January, 2011, has approved payment of remuneration of Rs. 3,37,837/- per month, to Mr. S. S. Sandhu.

Thereafter, the Board considered the matter again and made a reference to the Remuneration Committee to consider the revised remuneration of Mr. S. S. Sandhu. The Remuneration Committee in its meeting held on 2nd May, 2011 has considered and approved the same, subject to approval of the shareholders in the forthcoming General Body Meeting and approval of Central Government.

Thereafter, the Board of Directors, at its meeting held on 12th May, 2011 has accepted the recommendation of the Remuneration Committee revising the remuneration, amenities and perquisites payable to Mr. S. S. Sandhu with effect from 1st April, 2011 for a period of 3 years, with annual increments of not exceeding 20 % of the immediately previously drawn salary, payable in twelve (12) equal monthly installments for each of the financial years, plus other perquisites and benefits as per rules of the Company, subject to the requisite approvals.

Mr. S. S. Sandhu is an Arts Graduate. He was appointed a Director of SHIVALIK in July, 1984. He is one of the Promoter Director of the Company and at present, is a Whole-time Director and Executive Chairman of the Company. He has over 39 years experience in electronics industry. He is responsible for corporate secretarial, legal, finance and managerial functions of the Company. He is also looking after all the commercial (domestic and international), financial and administrative functions of the Company. Mr. S. S. Sandhu with his vast experience has developed good understanding of the business of the Company. Under his exceptional understanding of the business principles, the Company is continuously expanding its aspirations.

In this connection it would be worthwhile to mention that during the tenure of his association as the Whole-time Director the Company has shown growth all around, and has successfully diversified into new areas and has undertaken substantial expansion of the Company's Existing Industrial units in accordance with Industrial Policy notified by the Government from time to time. The Company has consolidated in its core area of manufacturing of Bimetal / Trimetal activities. There has been continuous increase in exports by the Company. The Company with sustained efforts of the management, supported by team of dedicated personnel, is successfully managing and implementing the tools of cost controls, cost reduction, productivity planning etc. The Company is entering into various International markets which are offering promising opportunities.

The proposed increase in the remuneration payable to Mr. S. S. Sandhu is commensurate with his vast experience gained in the industry and is in line with the industry standards, size of the Company, profile of the position prevalent in the Indian region. Mr. S. S. Sandhu is a relative of Mr. N. S. Ghuman, Managing Director and Mr. D. J. S. Sandhu, Deputy Managing Director of the Company. Mr. S. S. Sandhu has pecuniary relationship with the Company directly or indirectly to the extent of his managerial remuneration only.

Therefore the Board of Directors recommends this resolution for the approval of the shareholders.

None of the Directors except Mr. S. S. Sandhu is concerned or interested in the proposed resolution.

Information about Mr. D. J. S. Sandhu, Deputy Managing Director

Mr. D. J. S. Sandhu, Deputy Managing Director of the Company was drawing a remuneration by way of salary of Rs. 2,50,000/- per month plus other perquisites and benefits w.e.f. 1st April 2008. At the Annual General Meeting held on 24th September, 2010, the members approved the increase in remuneration of Mr. D. J. S. Sandhu, subject to the approval of the Central Government, by way of salary to the extent Rs. 3,00,000/- per month plus other perquisites and benefits.

At the Extra-ordinary General Meeting of the Company held on 29th April, 2011, members had approved the reappointment of Mr. D. J. S. Sandhu as Deputy Managing Director of the Company for a period of 5 years from 1st April, 2011 to 31st March, 2016 (both days inclusive) on payment of remuneration, benefits and perquisites as approved by the members at the Annual General Meeting held on 24th September, 2010, subject to the approval of the Central Government.

The Central Govt. vide its letter ref no. A83842237/1/2010-CL.VII dated 9th May, 2011, has not approved the remuneration and other perks, as proposed in terms of resolution passed by the members on 24th September, 2010.

Thereafter, the Board considered the matter again and made a reference to the Remuneration Committee to consider the revised remuneration of Mr. D. J. S. Sandhu. The Remuneration Committee in its meeting held on 2nd May, 2011 has considered and approved the same, subject to approval of the shareholders in the forthcoming General Body Meeting and approval of Central Government.

Thereafter, the Board of Directors, at its meeting held on 12th May, 2011 has accepted the recommendation of the Remuneration Committee revising the remuneration, amenities and perquisites payable to Mr. D. J. S. Sandhu with effect from 1st April, 2011 for a period of 3 years, with annual increments of not exceeding 20 % of the immediately previously drawn salary, payable in twelve (12) equal monthly installments for each of the financial years, plus other perquisites and benefits as per rules of the Company, subject to the requisite approvals.

Mr. D. J. S. Sandhu is a Science Graduate with specialisation in the fields of marketing and business administration. He had joined the Company in the year 1992 as an employee and was appointed a Director of SHIVALIK in April, 1996, and at present, is Deputy Managing Director of the Company. His career over the years has spanned various sales and marketing positions. He has a business experience of over 34 years to his credit particularly in the fields of Marketing, Customer Relations, etc.

He has been made responsible for the complete supervision of marketing and sales operations of the Company. Mr. D. J. S. Sandhu with his vast experience has developed good understanding of the business of the Company to cope with the requirements of the prevailing competitive market conditions in the industry. He has been intensively working on the international marketing efforts of the Company. His scope of work covers complete control over the marketing functions of the Company. In addition, he is the in-charge of operations on the back office support for sales and marketing.

In this connection, it would be worthwhile to mention that during the tenure of his association as the Deputy Managing Director, the Company has shown growth all around, and has successfully diversified into new areas and has undertaken substantial expansion of the Company's Existing Industrial units in accordance with Industrial Policy notified by the Government from time to time. The Company has consolidated in its core area of industrial activity. There has been continuous increase in exports by the Company. The Company with sustained efforts of the management, supported by team of dedicated personnel, is successfully managing and implementing the tools of cost controls, cost reduction,

productivity planning etc. The Company is entering into various International markets which are offering promising opportunities

The proposed increase in the remuneration payable to Mr. D. J. S. Sandhu is commensurate with his educational qualification; vast experience gained in the industry and is in line with the industry standards, size of the Company, profile of the position prevalent in the Indian region. Mr. D. J. S. Sandhu is a relative of Mr. S. S. Sandhu, Chairman and Whole-time Director and Mr. N. S. Ghumman, Managing Director of the Company. Mr. D. J. S. Sandhu has pecuniary relationship with the Company directly or indirectly to the extent of his managerial remuneration only.

Therefore, the Board of Directors recommends this resolution for the approval of the shareholders.

None of the Directors except Mr. D. J. S. Sandhu is concerned or interested in the proposed resolution.

ITEM NO. 9

Mr. G. C. Prabhu holds Diploma in Mechanical Engineering & an Associate Member of Institute of Engineers –Calcutta. He worked in Research & development for almost 16 yrs in one of the reputed TATA Companies & then in L&T for about 3 yrs in their manufacturing plant at Indore. He worked in capital intensive Industries manufacturing material handling equipments such as Forklift trucks, Hoists etc , in Mining Industry manufacturing Core hole drilling rigs , Earth moving Equipments, & also in Heavy Fabrication units manufacturing Heat treatment equipments, Boilers & Foundry equipments etc. He also worked in a Multinational company named, Legrand who are the pioneers in Low voltage Switch gear & Wiring Accessories for about 15 yrs holding the position of VP (Operations). He had an illustrious career in manufacturing Industries for about 40 yrs with successful track record of building vibrant organization by providing strong leadership & successful project implementation.

He was appointed as a Director of the Company at the Annual General Meeting held on 30th September, 2008. It was thereafter felt that having regard to Mr. Prabhu's experience in the Engineering field, it would be advisable to avail his expertise and experienced services relating to introduction of new improvised process and procedures relating to production, redefining Organizational Structure of the Company, system development, introducing efficiency improving mechanism, etc. as part of the 'Mentoring Team', with effect from 1st June, 2011 till end May, 2013 and in such capacity he would assist the Company in all the assignments which are / may be given to him. He will be paid Rs. 1,25,000/- per month and reimbursement of out of pocket expenses, in the capacity of a Professional Director. Payment of such consideration of the services provided by him will be in addition to the sitting fees, he will receive for Board Meeting attended by him.

Therefore, the Board of Directors recommends this resolution for the approval of the shareholders, to be passed as Special Resolution.

A copy of the letter of appointment dated 6th June, 2011, issued to Mr. G. C. Prabhu will be open for inspection by the members at the Registered Office of the Company during business hours on any working day of the Company upto and including the date of the Annual General Meeting.

None of the Directors, other than Mr. G. C. Prabhu is concerned or interested in the proposed resolution.

ITEM NO. 10

Mr. Angad Sandhu is a qualified B. Tech., in the stream of Mechanical Engineering from university of California USA. He has undertaken certain projects at University of California - Materials Department. He also attained metal alloy processing knowledge in bonding, rolling, stamping operations by working at the plant at Solan, Himachal Pradesh. He has joined Shivalik Bimetal Controls Limited on 1st February, 2007 as Mechanical Engineer and was made responsible for mechanical engineering aspects of the Company at plant.

Mr. Angad Sandhu with his exposure in various aspects of process Engineering and Automation has effectively contributed in improving the efficiency of the Manufacturing Plant in general and also in enhancing the customer relationship. Keeping in view his abilities, good exposure and experience, he had been promoted as Business Development Manager of the Company. Now, he has been designated as Assistant General Manager – Commercial.

In the light of aforesaid explanation and justification, it is proposed to increase the remuneration of Mr. Angad Sandhu, by way of salary from Rs. 6,00,000/- per annum to Rs. 7,50,000/- per annum plus other perquisites and benefits as per rules of the Company, w.e.f. 1st May, 2011, on the following terms and conditions:

- (i) Salary : Rs. 7,50,000/- per annum, with a provisions for increase in salary of not more than 25 % per annum over the previous year, every year until otherwise decided by the Board of Directors.
- (ii) In addition to salary, such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade.

Since he is son of Mr. S. S. Sandhu, the Chairman and Whole-time Director of the Company and his proposed remuneration is in excess of the limit prescribed under section 314 of the Companies Act, 1956, approval of the shareholders is, therefore, sought by way of Special Resolution.

The remuneration proposed to be paid to Mr. Angad Sandhu is commensurate with his professional qualification; training experience gained, and is in line with industry standards prevalent in the Indian region. The Board of Directors recommends the resolution for your approval.

None of the Directors except Mr. S. S. Sandhu, Chairman & Whole-time Director who is a relative of Mr. Angad Sandhu, is interested in this resolution.

ITEM NO. 11

Mr. Kanav Anand is associated with the Company from the year 2003 and in pursuance of Section 6 of the Companies Act, 1956, he has become a relative of Mr. D. J. S. Sandhu, Deputy Managing Director of the Company w.e.f. 2nd day of December, 2007.

Mr. Kanav Anand has done B. Sc. (Hons.) in Business and Management Studies from the University of Bradford, UK. He, with his dedicated hard work, has developed good understanding in the field of marketing and is responsible for developing a good customer base in domestic as well as international markets.

Mr. Kanav Anand has good exposure and experience in the field of marketing including business management. His scope of work covers his full involvement in the marketing aspects of the Company.

In the light of aforesaid explanation and justification, it is proposed to increase the remuneration of Mr. Kanav Anand, Assistant General Manager (Marketing), by way of salary from Rs. 6,36,000/- per annum to Rs. 7,86,000/- per annum plus other perquisites and benefits as per rules of the Company, w.e.f. 1st May, 2011, on the following terms and conditions:

- (i) Salary : Rs. 7,86,000/- per annum, with a provisions for increase in salary of not more than 25 % per annum over the previous year, every year until otherwise decided by the Board of Directors.
- (ii) In addition to salary, such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade.

Since, he is son-in-law of Mr. D. J. S. Sandhu, Deputy Managing Director of the Company and his proposed remuneration is in excess of the limit prescribed under section 314 of the Companies Act, 1956, approval of the shareholders is, therefore, sought by way of Special Resolution.

The remuneration proposed to be paid to Mr. Kanav Anand is commensurate with his professional qualification; training experience gained, and is in line with industry standards prevalent in the Indian region. The Board of Directors recommends the resolution for your approval.

None of the Directors except Mr. D. J. S. Sandhu, Deputy Managing Director of the Company, who is a relative of Mr. Kanav Anand, is interested in this resolution.

ITEM NO. 12

Mr. Kabir Ghumman is a qualified Engineer holding B.Tech, Mechanical Engineering from University of Windsor, Ontario, Canada. He joined Shivalik Bimetal Controls limited in May, 2011 as Assistant General Manager - Plant and was made responsible for the supervision of all technical and mechanical engineering aspects of the Company at plant.

Mr. Kabir Ghumman with his exposure and experience in the Graphic Designing and use of machinery in conducting load vs. stress has developed good understanding of manufacturing processing. His scope of work covers his full involvement in the mechanical engineering aspects of the Company at plant.

In the light of aforesaid explanation and justification, it is proposed to seek and ratify the appointment of Mr. Kabir Ghumman as Assistant General Manager - Plant on remuneration by way of salary of Rs. 7,54,632/- per annum plus other perquisites and benefits as per rules of the Company, w.e.f. 1st May, 2011, on the following terms and conditions:

- (i) Salary : Rs. 7,54,632/- per annum, with a provisions for increase in salary of not more than 25 % per annum over the previous year, every year until otherwise decided by the Board of Directors .
- (ii) In addition to salary, such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade.

Since, he is son of Mr. N. S. Ghumman, the Managing Director of the Company and his proposed remuneration is in excess of the limits prescribed under section 314 of the Companies Act, 1956, approval of the shareholders is, therefore, sought by way of Special Resolution.

The remuneration proposed to be paid to Mr. Kabir Ghumman is commensurate with his professional qualification; training experience gained, and is in line with industry standards prevalent in the Indian region. The Board recommends this resolution for your approval.

None of the Directors except Mr. N. S. Ghumman, Managing Director who is a relative of Mr. Kabir Ghumman, is interested in this resolution.

ITEM NO. 13

In line with Company's endeavor to establish itself as a major manufacturer and supplier of Bimetal world over, the Company has acquired Plant & Machinery, equipment etc. for setting up an Industrial Undertaking (Unit IV) for manufacture of Cold Bonded Clad Strips of wider widths & Parts from Kanthal AB, Halstahammer, Sweden. The Company, has finalized its plan for Capital Investment towards purchase of land, Construction of Factory Building, acquisition of Plant & Machinery & other misc. Fixed Assets for setting up Unit IV which comes to approx. Rs. 33.50 Crores. To meet the acquisition cost of the assets and the related expansion programme, the Company has availed Term Loan from the Bank to meet the funding, partly and is further exploring all avenues for borrowing the funds from Banks, Bodies Corporates or Business Associates etc. to meet the balance cost of expansion programme.

Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors can not, except with the consent of the Company in General Meeting, borrow money apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves, viz., reserves not set apart for any specific purpose. Hence, the Company should be equipped with the power to borrow money from financial institutions / banks, if required from time to time, in case the limit of borrowing exceeds the approved / existing limits.

The Members in the Extra-ordinary General Meeting held on 29th April, 2011, had accorded consent to the Board of Directors for borrowing to the extent of Rs. 75 Crores (Rupees Seventy Five Crores only). Therefore, for the aforesaid purpose, it is considered necessary to increase the overall limit for borrowing by the Board of Directors from Rs. 75 Crores (Rupees Seventy Five Crores only) to Rs. 100 Crores (Rupees One Hundred Crore only).

All borrowings are to be secured by way of Charge/Mortgage/Hypothecation on the Company's assets in favour of Banks/Financial Institutions. As the documents to be executed between the Bank/Financial Institutions and the Company, may contain the power to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company, the consent of the Shareholders is also sought under Section 293(1)(a) of the Companies Act, 1956 for creation of Charge/ Mortgage/ Hypothecation for an amount not exceeding the borrowing limit of Rs. 100 Crores (Rupees One Hundred Crore only).

The Board recommends this resolution for the approval of the Shareholders.

None of the Directors of the Company is interested in this resolution.

**DISCLOSURE PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT WITH
REGARD TO THE DIRECTORS SEEKING RE-APPOINTMENT AT
THE FORTHCOMING ANNUAL GENERAL MEETING
(REFER ITEM NOS. 3 & 4 OF NOTICE)**

Name of Director	Brief resume and nature of expertise in functional areas	List of Directorships / Committees memberships as on 31st March, 2011 in other Companies
Mr. Nirmaljeet Singh Gill	Mr. Nirmaljeet Singh Gill is a businessman and joined the Board in the year 2003 and is a member of Association of Accounting Technicians, London. Mr. Gill served as Finance Director with M/s Amita Affiliates Ltd., London for 5 years.	1
Mr. G. C. Prabhu	Mr. G. C. Prabhu is graduate in Mechanical Engineering. In his 43 years of career, he held many positions and handled range of Senior positions. He has vast experience in the field of manufacturing metal products. He is a core manufacturing person with strong technical & commercial background. He is on the Board of the Company since the year 2008.	NIL

Dear Members,

Your Directors are pleased to present the 27th Annual Report and the Audited Accounts of the Company for the financial year ended 31st March, 2011.

SUMMARISED FINANCIAL RESULTS:

	YEAR 2010-11 (Rs. in Lacs)	YEAR 2009-10 (Rs. in Lacs)
Sales & Other income	9,647.16	7,908.36
Operating Expenditure	8,277.68	6,756.28
PBDIT	1,369.48	1,152.08
Interest	308.85	292.75
Depreciation	189.75	168.09
PBT	870.88	691.24
Provision for Taxes	227.70	180.34
PAT	643.18	510.90
Balance brought forward from Previous Year	2,027.65	1,867.66
Balance available for Appropriation	2,670.83	2,378.56
Appropriations:		
Interim Dividend	76.80	38.40
Proposed Final Dividend	38.40	48.00
Tax on Dividends	18.84	14.50
General Reserve	100.00	250.00
Balance carried to Balance Sheet	2,436.79	2,027.66

PERFORMANCE

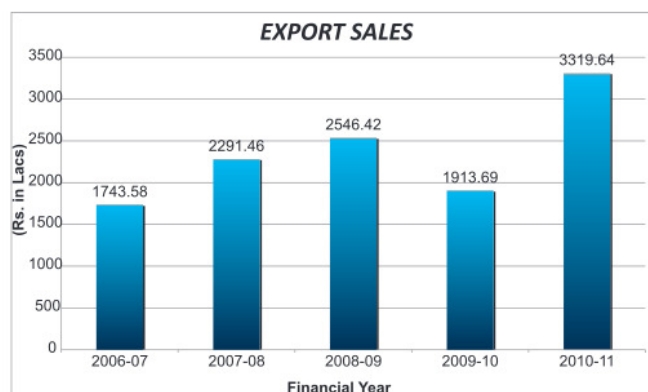
There has been an increase of 21.99% in sales and other income during the FY 2010-11 as compared to FY 2009-10. Your Company has achieved sales and other income of Rs. 9,647.16 Lacs during the FY 2010-11 as compared to Rs. 7,908.36 Lacs during the FY 2009-10. The Company earned Profit before interest, depreciation and tax (PBDIT) of Rs. 1,369.48 Lacs during the year under review as compared to Rs. 1,152.08 Lacs during previous financial year. During the current financial year, Profit before tax (PBT) of your company is Rs. 870.88 Lacs as compared to Rs. 691.24 Lacs of the previous financial year.

During the financial year 2010-11, the Indian economy started on a confident note with high growth which however tapered off towards the closing of the year. A significant challenge to the growth performance of the Indian economy was rising food inflation, which spilled over to affect the rest of the economy and to push up raw material costs in the Industrial economy. In the Challenging environment, your Company continued its focus on stable growth and risk management.

The company's consistent efforts will result into better performance during the current year and your Directors are hopeful of achieving better results in terms of turnover and profitability.

EXPORTS

Since the year 2008, the world has been facing economic recession which resulted into reduction in exports by your Company during the FY 2009-10. However with sustained efforts, the Company has shown increase in exports during FY 2010-11 to Rs. 3,319.64 Lacs from Rs. 1,913.69 Lacs during FY 2009-10, thus registering an increase in the exports by 73.47% during FY 2010-11 over that of the previous year.



DIVIDEND

Your directors are pleased to recommend, for approval of the members, a Final dividend of Re 0.20 per share on 1,92,01,400 equity shares of Rs. 2/- each of the company for the financial year 2010-11. The Final Dividend, if declared as above, would involve an outflow of 38.40 Lacs towards Dividend and Rs. 6.23 Lacs towards dividend tax, resulting in a total outflow of Rs. 44.63 Lacs.

During the year under review, your Directors had also declared and paid two interim dividends of Re 0.20 per share, each, on 1,92,01,400 equity shares of Rs. 2/- each. The overall dividend would be Re 0.60 per share as compared to Re 0.45 per share as of last year, i.e., Dividend for this year comes to 30% as compared to 22.50% for the previous year.

EXPANSION

Your Company has been pursuing various expansion plans, in line with the Company's endeavor to establish itself as a major manufacturer and supplier of Bimetals world over. The Company is setting up a new Industrial Undertaking, 'UNIT IV' for manufacturing of Cold bonded Clad strips and parts at Solan, Himachal Pradesh. A sum of Rs. 77.68 Lacs has been incurred by the Company for the advance payments for acquiring land and for dismantling of Plant & Machinery and expenses pending capitalization. With the setting up of 'Unit IV', the Company shall acquire the capability of producing Cold Bonded bonding of strips of larger width under the Cold Bonded process, adding to its capacity of producing Bimetal / Trimetal Strips through Hot Bonded process.

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 100.00 Lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 2,436.79 Lacs is proposed to be retained in the Profit & Loss Account.

JOINT VENTURES

JOINT VENTURE WITH CHECON CORPORATION, USA

As reported by your directors in the last reports, the Joint Venture Company named Checon Shivalik Contact Solutions Pvt. Ltd. (CSCS) in which your company has 50% share has achieved Sales and other income of Rs. 1,163.41 Lacs during the financial year 2010-11 as compared to Rs. 586.40 Lacs during the financial year 2009-10, registering a growth of 98.40% in the FY 2010-11 over the FY 2009-10.

During the financial year 2010-11, CSCS has been able to almost achieve the target and is expecting to convert the ongoing product developments into sales in coming year.

CSCS is in process of strengthening its manufacturing facilities by installing new technology for manufacturing of electrical contacts in order to broaden its customer base. CSCS is hopeful of achieving enhanced turnover and positive results, accordingly in the current year.

The Investment of your Company in Checon Shivalik Contact Solutions Pvt. Ltd. as on 31.03.2011 stands at Rs. 118.95 Lacs (previous year Rs. 118.95 Lacs).

JOINT VENTURE WITH ARCELORMITTAL STAINLESS & NICKEL ALLOYS, FRANCE (ARCELORMITTAL) (NOW APERAM ALLOYS IMPHY) AND DNICK HOLDING PLC, UK (DNICK)

As reported by your directors in the last reports, the Joint Venture Company named Innovative Clad Solutions Pvt. Ltd., (ICS) in which your Company has 33.33 % share has set up manufacturing unit at Pithampur, District Dhar in Madhya Pradesh, India for manufacturing Industrial Clad Products and has commenced its commercial production w.e.f. 02.02.2010 in the FY 2009-10.

This being a greenfield project, it has to go through the process of Stabilisation of manufacturing operations, sampling, dispatch of pilot lots, approval / acceptability of the product by the buyers. All this process is taking somewhat more time than envisaged earlier. However, your directors foresee positive commercial operations in the near future.

The Investment of your Company in Innovative Clad Solutions Pvt. Ltd. as on 31.03.2011 stands at Rs. 1052.00 Lacs (previous year Rs. 827.00 Lacs).

SUBSIDIARY COMPANY

On January 1, 2011, 'Shivalik Bimetal Engineers Pvt. Ltd. (SBEPL)', 100% Subsidiary of the Company had allotted 1,34,500 Equity Shares to shareholders other than Shivalik Bimetal Controls Limited. The resultant Shareholding of Shivalik in SBEPL is 45% of the total issued, subscribed and paid-up share capital, as such SBEPL is no longer a subsidiary of Shivalik w.e.f. 1st January, 2011. Accordingly, Mr. S. S. Sandhu & Mr. N. S. Ghumman, the directors of the Company had withdrawn from the directorship of SBEPL.

In accordance with the Circular No. 2/2011 dated 8th February, 2011, issued by Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of SBEPL are not being attached with the Balance Sheet of the Company. The Company will make available the said documents / details to any member of the Company who may be interested in obtaining the same and will also be kept open for inspection at the Registered Office of the Company during working hours up to the date of Annual General Meeting. The Consolidated Financial Statements presented by the Company include the financial results of SBEPL for the period of nine months ended 31st December, 2010.

PUBLIC DEPOSITS

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

ORGANISATION SET UP AND KEY FUNCTIONARIES

In the year under review, your company continued to lay emphasis on organization development pertaining to various functional aspects of the Company, like Production, R & D, Sales & Marketing, Material procurement and Logistics, Finance & Accounts, HR & Admin. etc. The Company laid special emphasis on better co-ordination and functioning cordiality amongst the key functionaries of the Company. In this process, the Company engaged professional firm of Management Consultants with the sole purpose of obtaining expert advice and guidance to make the functioning of various aspects in an efficient and productive manner. As a follow up measure, the services of Mr. G. C. Prabhu are being availed as Professional Director. Mr. G. C. Prabhu is an essential part of Mentoring Team which is in the process of redefining organization charts of various key functionaries and advising on the production / process related areas for efficient utilization of manpower and machinery.

DIRECTORS

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

CORPORATE GOVERNANCE

Your Company's aspirations of sustaining and enhancing its long term growth plans are well balanced by its principles of conducting business in a fully compliant manner. Your Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by The Securities and Exchange Board of India (SEBI). Your Directors have implemented all the major stipulations prescribed and ensure its compliance in both spirit and law. Your Company is committed to contribute positively in all the activities pertaining to environmental protection and energy conservation while at the same time continuing to protect and enhance all stakeholders' interest.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the year 2010-11, the applicable accounting standards have been followed and there are no material departures;
2. appropriate accounting policies have been selected in consultation with the statutory auditors and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2011 and of the Profit of the Company for the year ended 31st March, 2011;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going-concern basis.

CONSOLIDATED FINANCIAL STATEMENTS

As required under the Listing Agreements with the Stock Exchange, a Consolidated Financial Statement of the Company, its Associates (WOS upto 31st Dec., 2010) and Joint venture for the year ended 31st March, 2011, is annexed to the Annual Accounts and form part of the Annual Report. The Consolidated Financial Statement has been prepared in accordance with the Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 relating to Accounting for Investment in Associates in Consolidated Financial Statements and AS - 27 relating to Financial Reporting of Interests in Joint Venture, issued by The Institute of Chartered Accountants of India and shows the financial resources, assets, liabilities, Income, Profits and other details of the company, its subsidiary, Associates and its joint venture after eliminating of minority interest, if any, as a single entry.

As SBEPL ceased to be the subsidiary of the Company w.e.f. 1st January, 2011, as such the 'Consolidated Financial Statements' have incorporated the results of the erstwhile subsidiary for the period of nine months ended 31st December, 2010. However, in accordance with Accounting Standard AS 21, 23 & 27 issued by ICAI, the Consolidated Financial Statements have been prepared incorporating the results of Company's interest in Joint Ventures/ Associates for the year ended 31st March, 2011.

AUDITORS

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

PARTICULARS OF EMPLOYEES

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

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

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

REQUEST TO THE MEMBERS :

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

- Inform the Company / our registrar / Depository Participants, if not already done earlier, for updating details of your Permanent Account Number (PAN). The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar.
- Transferee(s) to furnish copy of their PAN Card to the Company / RTA's for registration of transfer of shares, for securities market transactions and off- market / private transactions involving transfer of shares in physical form.
- Inform your Depository Participant to reactivate your account for credit actions. Frozen Demat accounts may lead to non-credit / delayed credit of securities allotted to your account.
- Update your address with Registrar / Depository Participants to ensure timely receipt of shareholder communication. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandate to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Share Transfer Agents, M/s MAS Services Limited.
- The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless Compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to provide / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants or send an e-mail at info@masserv.com or investor@shivalikbimetal.com to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to intimate their e-mail address to MAS Services Limited either by e-mail at info@masserv.com or investor@shivalikbimetal.com or by sending a communication at the Company's Registered Office or Head Office or address mentioned below:

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

ACKNOWLEDGEMENTS

Your Directors wish to place on record their deep sense of appreciation and acknowledgement to the Company's Bankers, i.e., Indian Bank, for their unstinted support and co-operation at various levels, from time to time.

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

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

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

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

For and on behalf of the Board of Directors

Sd/-

(S. S. SANDHU)
CHAIRMAN

Place : New Delhi
Date : August 19, 2011

ANNEXURE TO THE DIRECTORS' REPORT

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

A. Conservation of Energy

Improvement in energy efficiency is a continuous process at the Company and conservation of energy is given a very high priority at plant and office of the Company. Energy Conservation continues to be an area of emphasis and is regularly monitored in every manufacturing unit of the Company. Several measures have been implemented at plant and office of the company and special efforts are being put on undertaking specific energy conservation project like installation of Energy Saving Electrical equipments, LED lamps, LCD monitors and maximum use of natural light and proper maintenance of equipments installed etc. Machines which are not in use during any time in a day are switched off. The energy consumption of all the units are monitored constantly and corrective steps are taken to utilize the energy in most optimal manner. The Company has always been conscious of the need for conservation of energy and has been steadily making progress towards this end.

B. Technology Absorption

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

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

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

RECOGNISED INHOUSE R&D UNIT

The recognition of Company's in-house R & D Unit in terms of Ministry's letter reference No. TU/IV/2256/2009, dated 24.06.2009 is valid up to 31.03.2012.

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

Research & Development (R&D)

i) New products developed through innovative approaches and Specific area in which R&D carried out by the Company:

- Material for Bullet Jacket for ordinance factory
- Copper-Steel-Copper Clad bonded for the replacement of Copper in Switchgear Industry.
- Development of Bimetal Metering assembly used in Domestic Gas Distribution system.
- Spiral Bimetals- part of Temperature Recording Device.
- Shunt Material
- EB welding of war head assemblies

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

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

iii) Future plan of action:

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

iv) Expenditure on R& D

- | | |
|---|----------------|
| a. Recurring | Rs. 14.98 Lacs |
| b. Capital | NIL |
| Total | Rs. 14.98 Lacs |
| c. Total R&D expenditure as a percentage of total turnovers: 0.16 % | |

Technology absorption, adaptation and innovation

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

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

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

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

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

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

C. Foreign Exchange Earning and Outgo:

	Rs. in Lacs
Earnings in Foreign exchange	3,428.15
Expenditure in Foreign currency	4,418.36

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. Industry structure and development

Global economy continued to recover from the worst financial crisis of this age through the year 2010. This trend is expected to continue in 2011 although with higher macroeconomic uncertainty. Developed economies of US and Western Europe are sluggish in recovery and emerging economies are facing difficulties in sustaining the relatively high growth rate.

Fiscal 2010-11 (FY'11) was a mixed year for the Indian economy. The economy began the year on a confident note with high growth which however tapered off towards the closing of the year. Thus, the GDP grew by 9.3% in the first Quarter of the financial year (April-June 2010) which dropped to 7.8% in the last Quarter accompanied by a steep drop in investment levels. The biggest threat to the growth performance of the Indian economy was the rising inflation.

The Indian economy continues to be on a strong growth trajectory with CSO (Central Statistics Office) estimating a growth of 8.6% in real GDP for the 2010-11 fiscal as compared to a 8.0% growth for 2009-10 fiscal. The agriculture, forestry and fishing sector witnessed a surge in fiscal 2010-11, with CSO estimating growth of 5.4% as compared to 0.4% for fiscal 2009-10. The manufacturing sector continued to post good growth with CSO estimates at 8.8% for both fiscal 2009-10 and 2010-11. The services sector was the outperformer with CSO estimating growth at 9.6% for fiscal 2010-11 although this was slightly less than 10.1% for fiscal 2009-10.

Although GDP growth remained strong, high levels of inflation throughout the year played spoilsport, oscillating within a band of 11% to 8%. This led to several rounds of interest rate hikes by the RBI (Reserve Bank of India) to curb inflation and prevent overheating of the economy. In addition, inflation in food articles touched peak of 20-21% during the months of May-June 2010 and continued to remain in double digits throughout the year. Even though the year was marked by rising prices mainly of food items, it spilled over into the rest of the economy, with commodities and manufactured goods prices also showing an upward trend. All round high inflation in commodities and manufactured products led to significant increase in input costs across the sectors. In addition, crude prices moved up, which also had an impact on transportation costs, hydro carbon linked inputs and packaging costs. Overall, FY 2010-11 was a very challenging year in terms of input cost inflation and managing material costs.

2. Opportunities & Threats

Steady growth in the Indian economy is being driven by strong domestic consumption, economic reforms, private entrepreneurship and global linkages. In view of various economic revivals and the economy back on track, the current year Industrial Scenario is expected to be over whelming.

Your Company, having an enviable reputation for quality and consistency, is hopeful of sustaining its growth in sales during the current year. The Company is taking number of initiatives for the development of new products / applications. Your Company continues to make forays into new areas utilizing latest technology and resources for adding new products into various product ranges. The Company's focus on achieving stable growth, strong execution, cash flow maximization, increasing productivity, keeping costs under control, implementing various cost reduction plans and world class quality controls continued and strengthened in FY'11.

3. Outlook

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

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

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

4. Financial Performance

Equity Share Capital : The Equity Share Capital of the Company as on 31st March, 2011 stood at Rs. 384.03 Lacs. There was no fresh issue of capital during the year.

Debt Equity : The debt equity ratio of the Company as on 31st March, 2011 is 0.62 which is sound in the prevailing market conditions and is very good as compared to the peers in the industry.

Interest and Financial Charges : Interest and Financial Charges for the financial year 2010-2011 is Rs. 308.85 Lacs as compared to Rs. 292.75 Lacs in the previous year, increase by 5.49 %. The increase has resulted due to increase in rates and also larger utilization of funding facilities.

Turnover : The Company's turnover (Net of Excise) has increased from Rs. 7,356.90 Lacs to Rs. 8,862.51 Lacs, there is a increase of 20.46 % over the previous year.

Net Profit : Net profit available for appropriation for the year 2010-2011 stood at Rs. 643.18 Lacs as compared to Rs. 510.90 Lacs in the previous year, increase by 25.89 %.

Dividend : The Company had declared two Interim Dividends of Re. 0.20 (10.00 %) per equity share, each. The total payout on account of these two Interim Dividend including corporate dividend tax aggregate to Rs. 89.56 Lacs.

The Company has proposed a Final Dividend of Re 0.20 (10 %) per equity share. The total payout on account of Final Dividend including corporate dividend tax aggregate to Rs. 44.63 Lacs.

Earnings Per Share (EPS) : The Company's Earnings Per Share (EPS) during the current year is Rs. 3.35 (Rs. 2.66 in the previous year), as such there is an increase of 25.94% over the previous year.

5. Risks & Concerns

The Company is exposed to external risks such as overall demand, fluctuation in the market segment in which it operates, the relative higher exposure to Foreign Exchange fluctuations because of substantial imports and exports. To ensure our long-term corporate success, it is therefore essential that risks be effectively identified, analyzed and then mitigated by means of appropriate control measures. The factors are monitored very closely by the management and so far the Company has adequately guarded itself by taking appropriate steps against the potential risks.

6. Internal Control System and their Adequacy

The Company has established a suitable Internal Control System which ensures proper utilization of resources and accurate reporting of financials, safeguarding the Company's assets and ensuring the compliance with various legal and regulatory provisions. The reports of Internal Auditors are reviewed by the Management and also placed before the Audit Committee of the Directors. The Statutory Auditors also review the finding with management and Audit Committee.

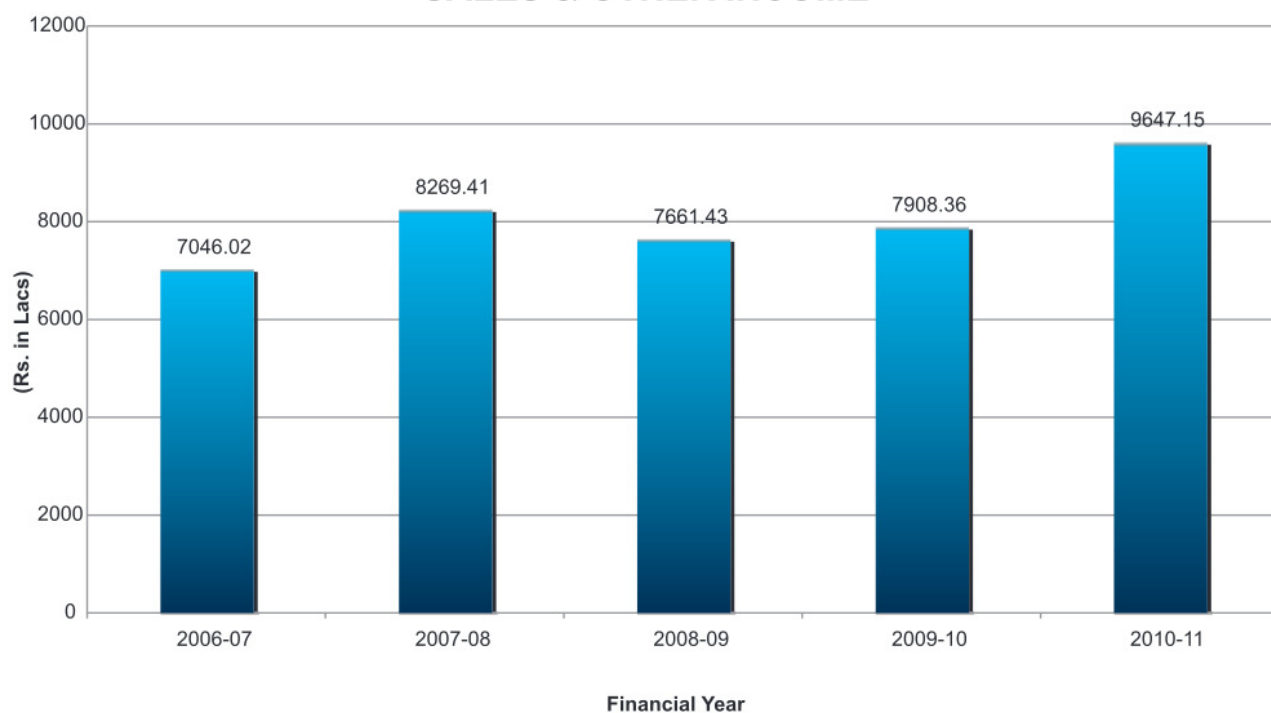
The periodical internal audit also supplements the Company's internal control systems which are conducted by independent professionals.

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

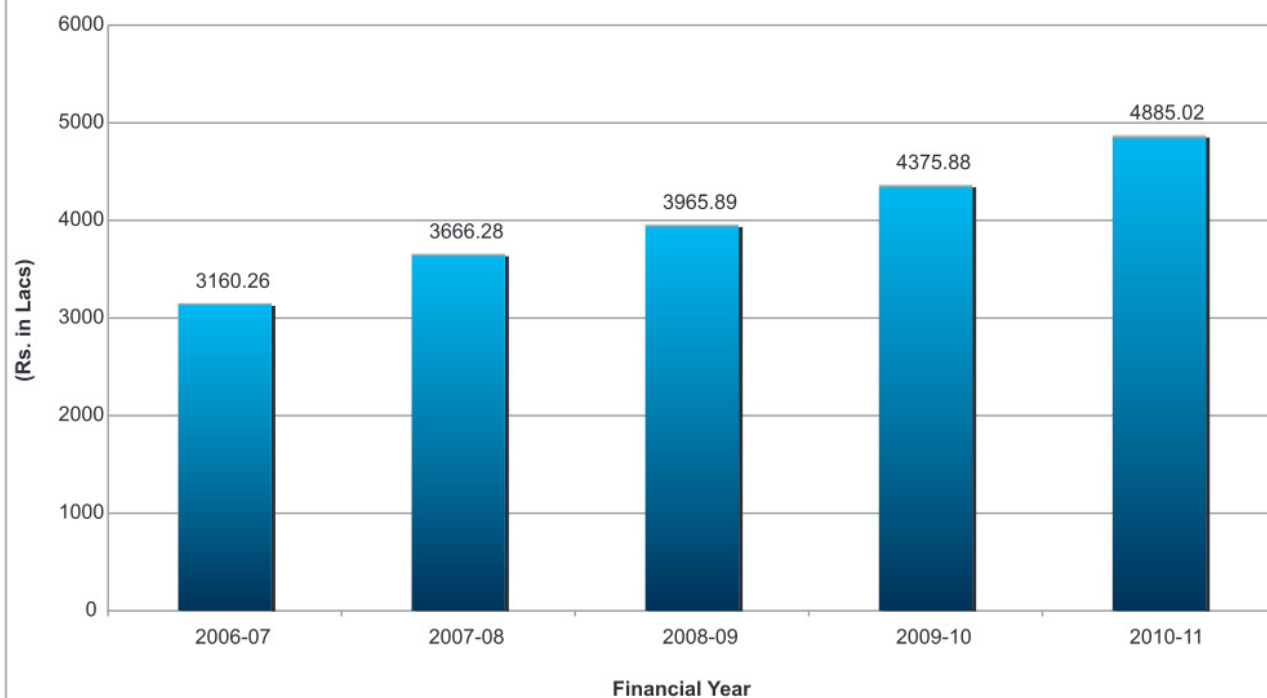
7. Occupational Health & Safety

Occupational Health & Safety has been our focus. Safety awareness has been strengthened; assessment of individual machines has helped to identify areas where we can improve. 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.

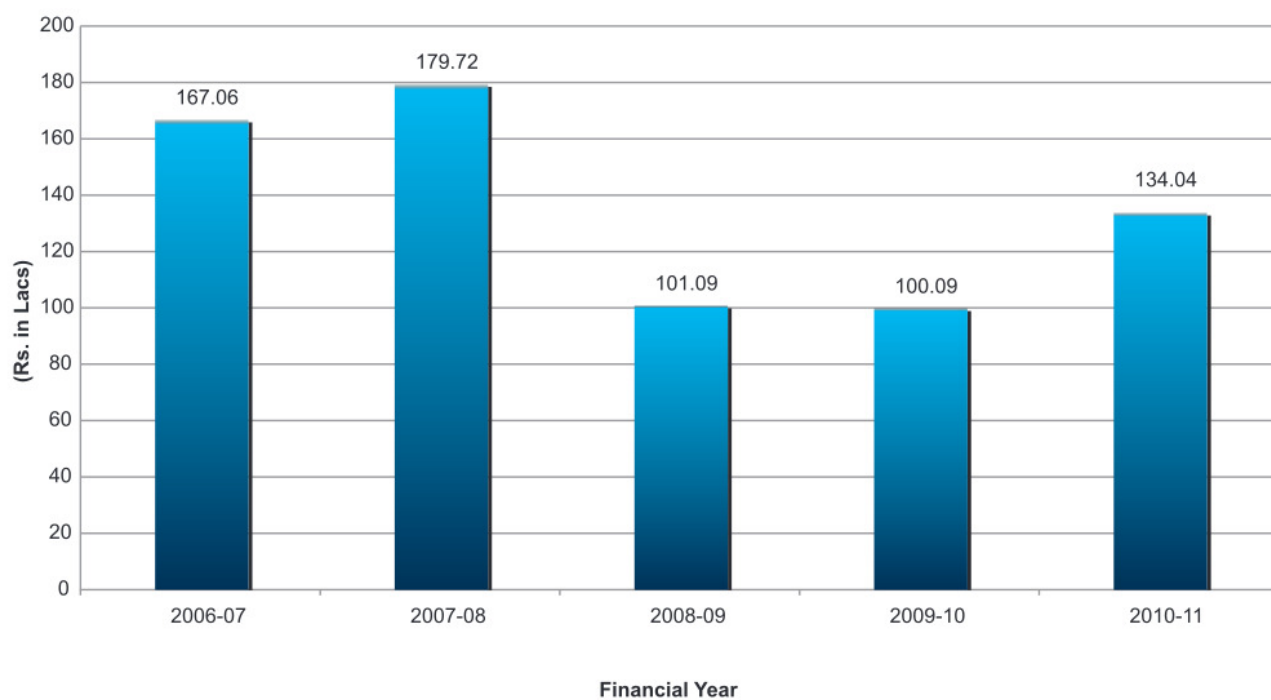
SALES & OTHER INCOME



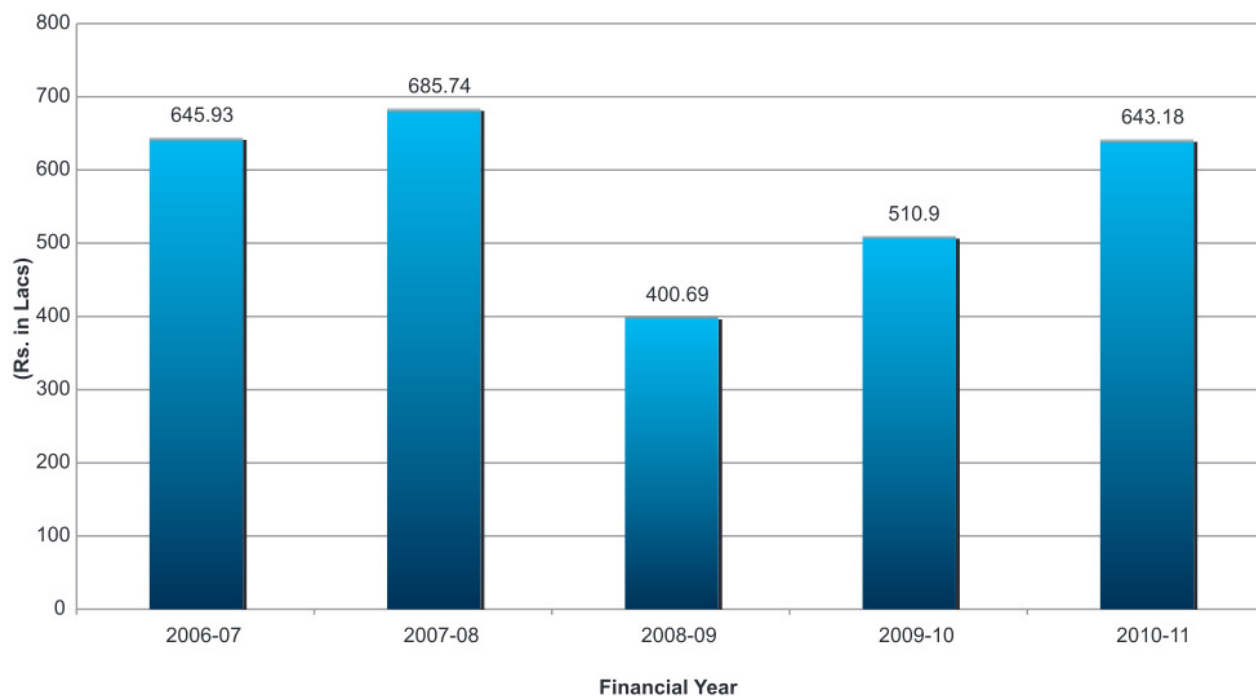
SHAREHOLDERS' FUNDS



DIVIDEND DISTRIBUTED (INCLUDING TAX)



PROFIT AFTER TAX



ANNEXURE “B”

REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTORS’ REPORT FOR THE YEAR 2010-11

Corporate Governance is commitment to values and ethics in business conduct which stems from the culture, policies, practices, traditions, voluntary adherence to ethical standards and mindset of an organization. Strong governance standards focusing on fairness, transparency, accountability and responsibility are vital not only for the healthy and vibrant corporate sector but also inclusive growth of the economy. The global financial crisis during the recent past along with incidences of some of the large scale corporate failures and frauds have convincingly revealed the importance of good governance in more emphatic context.

Corporate Governance is the set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, fairness in all its transactions in the widest sense and meet its stakeholders’ aspirations and societal expectation. It encompass everyone connected or affected by the activities of the corporation like senior management, employees and all other stake holders which include shareholders, lenders, suppliers and customers. Best results are achieved when the companies begin to treat the Corporate Governance system not as a mere structure but as a way of corporate life. In fact good governance practices or their lack can have an impact on even the environment and community at large. Complying with the statutory requirements, effective governance system and practices, transparency, disclosures, internal controls at work place have been institutionalized.

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

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

Corporate governance to the company is not just a compliance issue but central guiding principle for everything it does. It’s a way of thinking, way of conducting business and a way to steer the organization to take on challenges for now and for the future.

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

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

2. Board of Directors

Composition

The Board of Directors of the Company has an optimum combination of executive and non-executive directors and is in conformity with clause 49 of the Listing Agreement. The total strength of the Board as on 31st March, 2011, was Nine Directors as detailed herein below:

S. No.	Name	Designation	Category (Whole time/Non-Executive/ Independent)
1.	Mr. S. S. Sandhu	Chairman	Whole time
2.	Mr. N. S. Ghumman	Managing Director	Whole time
3.	Mr. D. J. S. Sandhu	Dy. Managing Director	Whole time
4.	Mr. S. C. Verma	Director	Independent

S. No.	Name	Designation	Category (Whole time/Non-Executive/ Independent)
5.	Mr. G. S. Gill	Director	Independent
6.	Mr. Anil K. Sud	Director	Independent
7.	Mr. Rohit Kapur	Director	Independent
8.	Mr. Nirmaljeet Singh Gill	Director	Independent
9.	Mr. G. C. Prabhu	Director	Independent

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

3. Board Meetings, its Committee Meetings and Procedures

3.1 Board Meetings

During the financial year 2010-2011, five Board Meetings were held on 5th May, 2010, 27th July, 2010, 17th August, 2010, 29th October, 2010 and 31st January, 2011.

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

Name of Director	No. of Board Meetings attended out of 5 Meetings held during the year 2010-2011	Last AGM held on 24th September, 2010 (Attended – Yes / No)
Whole time Directors		
Mr. S. S. Sandhu	5	Y
Mr. N. S. Ghumman	5	Y
Mr. D. J. S. Sandhu	4	N
Independent / Non-Executive Directors		
Mr. S. C. Verma	5	N
Mr. G. S. Gill	2	Y
Mr. Anil K. Sud	1	Y
Mr. Rohit Kapur	3	N
Mr. Nirmaljeet Singh Gill	3	Y
Mr. G. C. Prabhu	NIL	N

4. Number of Directorship on the Board of Other Companies as on 31.03.2011

The details of Directorship of other companies excluding Private Limited Companies, foreign companies and section 25 companies, Chairmanship and Committee Memberships held by the Directors as on 31st March, 2011, are given below:

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

5. Details of Remuneration paid to Directors

5.1 Remuneration paid to Whole-time Directors during the year ended 31.03.2011

(in Rupees)

Sl. No.	Name	Designation	Salaries & Allowances	Contribution to PF	Other Benefits	Total
1.	Mr. S. S. Sandhu	Chairman	40,50,000/-	4,86,000/-	–	45,36,000/-
2.	Mr. N. S. Ghumman	Mg. Dir.	36,00,000/-	4,32,000/-	19,970/-	40,51,970/-
3.	Mr. D. J. S. Sandhu	Dy. Mg. Dir	30,00,000/-	3,60,000/-	30,581/-	33,90,581/-

5.2 Sitting fee paid to Non-Executive / Independent Directors during the year ended 31.03.2011

(in Rupees)

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

6. Board Committees

A. Standing Committees

The Company has the following standing committees of the Board:

(i) Audit Committee

Composition, Name of Chairman and Members

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

Objective :

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

Meetings and Attendance during the year

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

During the year under review, the Audit committee members of your company met at 5 meetings held on 4th May, 2010, 26th July, 2010, 16th August, 2010, 28th October, 2010 and 29th January, 2011.

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

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

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

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

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

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

(ii) Remuneration Committee

Composition, Name of Chairman and Members

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

Committee Members

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

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

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

Decision & Voting Powers

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

Tenure of the Committee

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

Meetings and Attendance during the year

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

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

During the year 2010-11, one meeting of Remuneration Committee was held on 2nd August, 2010 to approve the increase in the remuneration of the relatives of the directors engaged in the employment of the Company.

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

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

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

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

The Board has designated Ms. Pooja Hiranandani, Company Secretary as Compliance Officer.

Meetings and Attendance during the year

During the financial year under consideration, the Share Transfer Committee held 5 meetings on 31.05.2010, 05.07.2010, 16.08.2010, 20.09.2010 and 18.10.2010. All the members were present in the meeting.

Details of queries / complaints received from Shareholders / Investors during the year 2010-11

The details of shareholders grievance are as follows:

No. of Complaints received during the year	1 (One)
No. of Complaints resolved during the year	1 (One)
Pending Complaints at the end of the Financial Year	Nil

7. General Meetings

7.1 Annual General Meetings (AGM)

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

Year	2007-08	2008-09	2009-10
Date	30th September, 2008	30th September, 2009	24th September, 2010
Time	10.00 A.M.	10.00 A.M.	10.00 A.M.
Venue	Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)	Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)	Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)

7.2 Extra-Ordinary General Meeting (EGM)

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

8. Disclosures

- Details of transactions with related parties has been reported separately in Note 12 of Schedule M attached with the financial statement for the year ended 31st March, 2011, in accordance with the requirements of Accounting Standard 18 – 'Related Party Disclosures'.
- No penalties or strictures have been imposed on the Company by Stock Exchange, SEBI and statutory authority on any matter relating to capital markets during the last three years.
- 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.

9. Means of Communications

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

10. MD/CFO Certification

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

11. General Shareholders Information

11.1 Annual General Meeting (AGM)

Date & Time	28.09.2011 at 10.00 a.m.
Venue	Regd. Office: Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)

11.2 Financial calendar

First quarter	: Latest by mid of August, 2011
Second / half yearly	: Latest by mid of November, 2011
Third quarter	: Latest by mid of February, 2012
Fourth quarter	: Latest by mid of May, 2012
Annual General Meeting	: Latest by end of September, 2012

11.3 Date of Book Closure : 24.09.2011 to 28.09.2011
(Both days inclusive)

11.4 Dividend payment date : Final dividend if declared shall be paid /
credited on or after 29th September, 2011

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

11.6 (i) Stock Code : at BSE 513097

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

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

Share Price Movement at BSE

(Rs. Per Share)			(Rs. Per Share)		
Month	High	Low	Month	High	Low
April, 2010	35.80	24.80	Oct., 2010	28.20	24.05
May, 2010	37.50	27.50	Nov., 2010	32.65	23.35
June, 2010	40.35	29.80	Dec., 2010	29.45	22.00
July, 2010	36.75	28.55	Jan., 2011	32.40	21.15
Aug., 2010	34.00	25.25	Feb., 2011	24.00	19.25
Sep., 2010	31.50	26.50	Mar., 2011	22.50	18.00

11.8 Share Transfer System

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

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

M/s MAS Services Ltd.

T – 34, IInd Floor,
Okhla Industrial Area, Phase – II,
New Delhi-110020,
Tel No.: (91) (11) 26387281, 26387282
Fax: (91) (11) 26387384
Email: info@masserv.com

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

11.9 Dematerialisation of shares

Over 94.52% of the Company's paid-up equity share capital has been dematerialised upto 31st March 2011. Trading in equity shares of the Company is permitted only in dematerialised form as per notification issued by the Securities and Exchange Board of India (SEBI).

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

11.10 Shareholding Pattern as on 31st March, 2011

Category	No. of Shares held	% of total shareholding
Foreign Promoters	–	–
Banks	1,000	0.01 %
Financial Institutions	–	–
Mutual Funds	–	–
Domestic Companies	83,38,334	43.42 %
Non-Domestic Companies	–	–
Non-Resident Indians	160,701	0.84 %
Foreign Institutional Investors	5,000	0.03%
Directors / Relatives of Directors	39,48,000	20.56 %
Individuals / Others	67,48,365	35.14 %
Total	1,92,01,400	100.00 %

11.11 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.

11.12 Major Plant / Unit Location(s)

Plant Location

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

Head Office:

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

11.13 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, IInd Floor,
Okhla Industrial Area, Phase – II,
New Delhi-110020,

- **For shares held in Demat form**

To the Depository Participant concerned

11.14 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.

11.15 Action required regarding Unclaimed Dividends

Pursuant to Section 205A and 205C of the Act, all unclaimed/unpaid dividend for the years prior to and including a sum of Rs. 1,08,450/- for the financial year 2002-03 and Rs. 80,450/- for the financial year 2003-04 have been transferred to General Revenue Account of the Central Government/the Investor Education and Protection Fund established by the Central Government (IEPF), as applicable.

The Dividend for the undernoted years, if unclaimed for 7 years, will be transferred by the Company to IEPF in accordance with the schedule given below. Attention is drawn that the unclaimed dividend for the financial year 2003-04 (Final) and 2004-05 (Interim) will be due for transfer to IEPF later this year. Communication has been sent by the Company to the concerned Shareholders advising them to lodge their claims with respect to unclaimed dividend.

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

Financial Year	Date of Declaration	Proposed Date for transfer to IEPF*
2003-04 (Final)	July 21, 2004	August 26, 2011
2004-05 (Interim)	January 25, 2005	March 02, 2012
2004-05 (Final)	September 30, 2005	November 05, 2012
2005-06 (Interim)	February 04, 2006	March 12, 2013
2005-06 (Final)	September 05, 2006	October 11, 2013
2006-07 (Ist Interim)	January 30, 2007	March 07, 2014
2006-07 (IInd Interim)	April 21, 2007	May 27, 2014
2006-07 (Final)	August 20, 2007	September 25, 2014
2007-08 (Ist Interim)	January 30, 2008	March 6, 2015
2007-08 (IInd Interim)	June 6, 2008	July 11, 2015
2007-08 (Final)	September 30, 2008	November 5, 2015
2008-09 (Interim)	April 28, 2009	June 2, 2016
2008-09 (Final)	September 30, 2009	November 5, 2016
2009-10 (Interim)	May 5, 2010	June 10, 2017
2009-10 (Final)	September 24, 2010	October 30, 2017

*Indicative dates and actual dates may vary.

11.16 Other Facilities of interest to shareholders holding shares in physical form

- Nomination facility :

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

- Bank Details :

Shareholders are requested to notify/send the following to the Company's Registrars and Transfer Agents to facilitate better services:-

- a) Any change in their address/mandate/bank detail; and
- b) Particulars of the bank account in which they wish their dividend to be credited, in case they have not been furnished earlier.

Shareholders are advised that respective bank details and address furnished by them to the Company will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CORPORATE)

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

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2011 and based on our knowledge and belief, we state that :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.

We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the code of conduct as adopted by the company.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable to the Auditors and Audit committee:
 - i. Significant changes, if any, in the internal control over financial reporting during the year;
 - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

Sd/-

(N.S. GHUMMAN)
Managing Director

Sd/-

(K. S. NEGI)
CFO-Corporate

Place : New Delhi
Date : August 19, 2011



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Shareholders of

SHIVALIK BIMETAL CONTROLS LTD.

We have examined the compliance of conditions of Corporate Governance by **SHIVALIK BIMETAL CONTROLS LTD.** for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with The Stock Exchange, Mumbai (BSE).

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

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

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

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

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

Place : New Delhi
Date : August 19, 2011



AUDITORS' REPORT



To

The Members of

SHIVALIK BIMETAL CONTROLS LIMITED

1. We have audited the attached Balance Sheet of **Shivalik Bimetal Controls Limited** as at 31st March, 2011, the Profit and Loss Account and also the Cash flow statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. in our opinion, the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of The Companies Act, 1956;
 - v. on the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of The Companies Act, 1956;
 - vi. in our opinion and to the best of our information and according to the explanations given to us, the said account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) in the case of Cash flow statement, of the Cash flows for the year ended on that date.

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

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

Place : New Delhi
Date : August 19, 2011

Annexure to Auditors' Report

(Referred to in paragraph 3 of our report of even date on the Statements of Account of Shivalik Bimetal Controls Limited, as at and for the year ended 31st March 2011)

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

- b. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income tax, wealth tax, sales tax, service tax, customs duty and excise duty which have remained outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.
- c. According to the information and explanation given to us, there are no dues outstanding of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess on account of any dispute.
- (x) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, banks and debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and the advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit Fund or Nidhi/ mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) The company has furnished Corporate Guarantee to the tune of Rs. 2.01 Crores for loans taken by the Joint Venture Company (in which company holds 50% of issued share capital) and Associate Company (in which the company holds 45% of issued share capital) from bank. The terms and conditions whereof are not prima-facia prejudicial to the interest of the company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long-term investment by the company.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in register maintained under Section 301 of the Companies Act, 1956.
- (xix) Since the debentures have not been issued during the year, question of creating securities does not arise.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year ended 31st March 2011.

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

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

Place : New Delhi
Date : August 19, 2011



SHIVALIK BIMETAL CONTROLS LIMITED

Balance Sheet as at 31st March, 2011



	Schedule	Amount Rupees	As at 31st March 2011 Rupees	As at 31st March 2010 Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A		38,402,800	38,402,800
Reserves & Surplus	B		<u>450,098,839</u>	<u>399,185,606</u>
			<u>488,501,639</u>	<u>437,588,406</u>
Loan Funds				
Secured Loans	C		281,679,980	211,210,588
Unsecured Loans			<u>21,546,365</u>	<u>8,674,732</u>
			<u>303,226,345</u>	<u>219,885,320</u>
Deferred Tax Liability	D		<u>22,698,000</u>	<u>20,433,000</u>
TOTAL.....			<u><u>814,425,984</u></u>	<u><u>677,906,726</u></u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	330,922,205		294,081,640
Less :Accumulated Depreciation		<u>132,829,982</u>		<u>116,654,322</u>
Net Block			198,092,223	177,427,318
Expenditure on New Industrial Undertaking (Unit IV) (Refer Note -5, Schedule-M)			<u>7,767,767</u>	
Capital Work-in- Progress			<u>554,298</u>	2,177,368
Advances for Capital Expenditure			<u>10,881,499</u>	<u>6,892,526</u>
			<u>217,295,787</u>	<u>186,497,212</u>
INVESTMENTS	F		119,523,100	95,345,600
CURRENT ASSETS , LOANS & ADVANCES				
Inventories	G	293,167,043		182,704,242
Sundry Debtors		266,892,122		250,230,685
Cash and Bank Balances		15,829,632		13,713,668
Other Current Assets		1,983,867		1,582,425
Loans & Advances		<u>112,657,150</u>		<u>152,537,830</u>
		<u>690,529,814</u>		<u>600,768,850</u>
Less : Current Liabilities & Provisions	H			
Current Liabilities		167,279,165		175,205,330
Provisions		<u>45,643,552</u>		<u>29,499,606</u>
		<u>212,922,717</u>		<u>204,704,936</u>
Net Current Assets			<u>477,607,097</u>	<u>396,063,914</u>
TOTAL.....			<u><u>814,425,984</u></u>	<u><u>677,906,726</u></u>

Significant Accounting Policies and Notes to Accounts " Schedule M"

The Schedules referred to herein form an integral part of the Balance Sheet.

As per our report of even date

For **MALIK S & CO.**

Chartered Accountants

Firm Registration no. 00383N

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

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

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi

Dated : August 19, 2011



SHIVALIK BIMETAL CONTROLS LIMITED

Profit & Loss Account for the Year ended 31st March, 2011



Schedule	Year ended on 31st March 2011 Rupees	Year ended on 31st March 2010 Rupees
INCOME		
Sales	942,468,166	780,683,075
Less : Excise Duty	56,217,612	44,992,792
Sales (Net)	886,250,554	735,690,283
Job Work	123,407	162,923
Export Incentives	1,568,138	-
Sales and other Operating Income	887,942,100	735,853,206
Other Income I	20,555,819	9,990,022
Sales & Other Income	908,497,918	745,843,228
EXPENDITURE		
(Increase)/Decrease in Stock J	(12,557,164)	(8,192,697)
Cost of Raw Material Consumed	525,535,534	423,296,525
Manufacturing & Other Expenses K	258,571,181	215,531,167
Interest & Finance Charges L	30,885,373	29,274,653
Depreciation	18,975,250	16,809,468
	821,410,173	676,719,116
Profit before tax	87,087,745	69,124,112
Provision for Taxation		
- Current Tax	20,500,000	17,400,000
- MAT Credit Entitlement	-	-
- Deferred Tax	2,265,000	(663,500)
Taxation adjustments of previous years (Net)	4,870	1,297,396
Profit after Tax	64,317,875	51,090,216
Profit Brought Forward	202,765,273	186,765,621
Amount Available for Appropriations	267,083,148	237,855,837
APPROPRIATIONS		
Ist Interim Dividend	3,840,280	3,840,280
IInd Interim Dividend	3,840,280	-
Tax on Interim Dividend	1,260,813	652,656
Proposed Final Dividend	3,840,280	4,800,350
Tax on Proposed Final Dividend	622,990	797,278
Transfer to General Reserve	10,000,000	25,000,000
Balance carried to Balance Sheet	243,678,505	202,765,273
	267,083,148	237,855,837
Basic and Diluted Earnings per share (Rs.)	3.35	2.66

Significant Accounting Policies and Notes to Accounts "Schedule M"

The Schedules referred to herein form an integral part of Profit & Loss Account.

As per our report of even date

For **MALIK S & CO.**

Chartered Accountants

Firm Registration no. 00383N

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

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

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi

Dated : August 19, 2011



SHIVALIK BIMETAL CONTROLS LIMITED

Cash Flow Statement for the year ended on 31st March, 2011



	Year ended on 31st March 2011 Rupees	Year ended on 31st March 2010 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	87,087,745	69,124,112
Adjustments for:		
Depreciation	18,975,250	16,809,468
Interest Paid	30,885,373	29,274,653
Interest Received	(72,884)	(51,459)
Amount Written Back	(4,776)	(210,154)
Debtors/ Unrecoverable Amount Written Off	110,890	68,266
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss	(12,840)	(106,988)
(Profit)/Loss on sale of Fixed Asset	163,991	3,373,121
Operating Profit before Working Capital changes	137,132,749	118,281,019
Adjustment for :		
Trade and other receivables	(16,772,327)	(27,941,882)
Inventories	(110,462,801)	34,391,347
Trade Payables	(8,062,321)	59,751,046
Loans and Advances	54,473,056	(80,385,268)
Other current Assets	(401,442)	(589,850)
Cash generated from operations	55,906,914	103,506,412
Direct taxes paid	(17,740,246)	(8,466,693)
Cash flow from Ordinary items	38,166,667	95,039,719
Net Cash flow from operating Activities	38,166,667	95,039,719
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(41,872,624)	(21,497,560)
Sale of Fixed Assets	2,068,483	8,621,286
Capital Work In Progress	1,623,070	(1,739,614)
Capital Advance	(11,756,740)	(4,608,363)
Interest Received	72,884	51,459
Long Term Investment	(24,177,500)	(7,500,000)
Net cash (used) in / from investing activities	(74,042,427)	(26,672,792)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Bank Borrowings	66,143,371	(19,941,054)
Term Loan	-	-
Vehicle Loan	10,729,103	(644,228)
Term Loan Paid	(6,403,082)	(9,634,529)
Unsecured Loan	12,871,633	5,164,880
Interest Paid	(30,885,373)	(29,274,653)
Dividend including Dividend Tax paid	(14,476,765)	(10,008,470)
Net Cash (used) in / from financing activities	37,978,887	(64,338,053)
NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS	2,103,124	4,028,874
Cash and Cash equivalents as on 1st April, 2010 (Opening Balance)	13,713,668	9,577,806
Exchange Difference on translation of foreign currency cash & cash equivalent	12,840	106,988
Cash and Cash equivalents as on 31st March, 2011 (Closing Balance)	15,829,632	13,713,668
Cash and Cash equivalents as on 31st March, 2011 as per book	15,829,632	13,713,668

As per our report of even date

For **MALIK S & CO.**

Chartered Accountants

Firm Registration no. 00383N

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

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

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi

Dated : August 19, 2011



SHIVALIK BIMETAL CONTROLS LIMITED

Schedules Forming part of the Balance Sheet
as at and Profit & Loss Account for the year ended 31st March, 2011



	Amount Rupees	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
SCHEDULE 'A' SHARE CAPITAL			
(a) AUTHORISED			
2,50,00,000 Equity Shares (Previous year 2,50,00,000 Equity Shares) of Rs. 2 /- each		<u>50,000,000</u>	<u>50,000,000</u>
(b) ISSUED , SUBSCRIBED & PAID-UP			
1,92,01,400 Equity Shares (Previous year 1,92,01,400 Equity Shares) of Rs 2/- each , Fully paid-up		<u>38,402,800</u>	<u>38,402,800</u>
SCHEDULE 'B' - RESERVES AND SURPLUS			
(a) Capital Reserve		6,420,334	6,420,334
(b) General Reserve			
Balance as per last year:	190,000,000		165,000,000
Add: Transferred from Profit & Loss Account	<u>10,000,000</u>		<u>25,000,000</u>
		200,000,000	190,000,000
(c) Profit & Loss Account			
Balance carried forward		<u>243,678,505</u>	<u>202,765,273</u>
		<u>450,098,839</u>	<u>399,185,606</u>
SCHEDULE 'C' - SECURED LOANS			
FROM BANK			
(Secured by hypothecation of stocks, movable properties and Book Debts, both present and future And Equitable mortgage of company's Factory Land and Building, situated at Chambaghat, Solan, H.P.)			
Cash Credit / Working Capital Loans		251,437,261	185,293,890
Machinery Term Loan		10,382,479	16,785,561
(Pari passu first charge over the Plants & Machinery of the Company, both present and future, with Himachal Pradesh State Industrial Development Corporation Ltd. For the capital subsidy of Rs 63.63 lakh availed by the company from the Government.)			
(Amount repayable within one year Rs.72.19 lacs			
Previous year Rs.78.32 lacs)			
		<u>261,819,740</u>	<u>202,079,451</u>
VEHICLES LOANS			
From Banks	19,033,246		6,501,217
From Others	<u>826,994</u>	19,860,240	2,629,920
(Amount repayable within one year Rs. 109.56 lacs			
Previous year Rs. 81.96 lacs)			
		<u>281,679,980</u>	<u>211,210,588</u>
SCHEDULE 'D' - DEFERRED TAX LIABILITY (NET)			
Deferred Tax Liabilities:		20,433,000	21,096,500
Depreciation		<u>1,726,936</u>	<u>-</u>
		22,159,936	21,096,500
Less : Deferred Tax Assets:			
Depreciation		-	204,478
Others		<u>(538,064)</u>	<u>459,022</u>
		<u>(538,064)</u>	<u>663,500</u>
		<u>22,698,000</u>	<u>20,433,000</u>

SCHEDULE 'E' - FIXED ASSETS

Particulars	CCSI			DEPRECIATION			NET BLOCK	
	As at 01.04.10	Additions	Sale/Transfer during the year	Adjustments	As at 01.04.10	During the year	As at 01.03.11	As at 01.03.10
1. Land (Leasehold)	366,923	-	-	-	-	-	366,923	366,923
2. Site Development	1,296,421	-	-	-	985,257	45,500	267,824	311,124
3. Building	30,845,196	2,288,517	-	-	9,502,384	1,036,461	22,545,268	21,342,812
4. Plant & Machinery	201,887,562	6,510,483	524,570	(26,250)	86,120,840	11,365,641	110,635,964	115,766,722
5. Furniture & Fixtures	12,730,713	555,482	-	-	4,071,807	837,270	8,377,118	8,658,506
6. Vehicles	33,132,556	31,428,511	3,504,464	-	8,236,385	4,681,548	49,695,089	24,896,167
7. Office Equipment & Appliances	13,822,265	1,165,086	202,750	-	7,757,605	1,006,630	6,200,037	6,084,664
TOTAL (Rs.)	294,081,640	41,898,879	5,032,064	(26,250)	116,654,322	18,575,250	198,092,223	177,427,318
Previous Year	288,090,091	21,497,555	15,506,006		103,356,458	16,803,467	177,427,318	184,733,632
Capital Work-In-Progress							554,298	2,177,368
Advances for Capital Expenditure							10,881,455	6,892,526
Expenditure on New Industrial Undertaking (Unit IV)							7,767,767	-
							19,203,564	5,069,854
							217,295,787	186,457,212

	Amount Rupees	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
SCHEDULE 'F' INVESTMENTS			
LONG TERM UNQUOTED SHARES			
Investment in Associate Company			
1,10,000 Equity Shares (Previous year 55,000 Equity Shares) of Shivalik Bimetal Engineers Pvt. Ltd of Rs.10/-each-Fully paid up		1,100,000	550,000
Share Application Money		1,127,500	–
Investment in Joint Ventures			
6,85,900 Equity Shares (Previous year 6,85,900 Equity Shares) of Checon Shivalik Contact Solutions Private Limited of Rs.10/-each -Fully paid up		11,895,600	11,895,600
105,20,000 Equity Shares (Previous year 75,20,000 Equity Shares) of Innovative Clad Solutions Pvt. Ltd of Rs.10/-each-Fully paid up		105,200,000	75,200,000
Share Application Money		–	7,500,000
Other Investment			
20,000 Equity Shares (Previous year-20000 Equity Shares) of SSWML of Rs.10/-each-Fully paid up		200,000	200,000
		<u>119,523,100</u>	<u>95,345,600</u>
SCHEDULE 'G' – CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS			
INVENTORIES : (as taken, valued and certified by Management)			
Stores & Spares	5,913,901		4,392,155
Packing Material	450,336		479,176
Finished Goods	22,669,234		14,153,075
Finished Goods lying with consignee at Germany	327,948		222,892
Work-in-progress	54,483,449		48,481,623
Semi-Finished goods	2,408,176		3,685,467
Raw Materials	82,302,903		59,284,708
Scrap	152,010		16,640
Stock of Stationery	65,724		65,349
Material in Transit	36,331,582		15,270,413
Stock with Bonded Warehouse	88,061,780		36,652,744
		293,167,043	182,704,242
SUNDRY DEBTORS			
(Unsecured - Considered Good)			
a) Debts outstanding - exceeding Six Months	40,670,276		43,983,852
b) Other Debts	226,221,846		206,246,833
		266,892,122	250,230,685
CASH AND BANK BALANCES			
Cash on hand	286,462		311,963
Cheques on hand	4,632,287		8,502,998
Balance with Scheduled Banks			
Current Accounts	4,739,153		3,329,437
Current Accounts in Foreign Currency	3,833,880		237,145
Margin Money	2,337,850		1,332,125
		15,829,632	13,713,668

	Amount Rupees	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
OTHER CURRENT ASSETS			
Gold Coins		1,983,867	1,582,425
LOANS AND ADVANCES			
(Unsecured - Considered Good)			
Advances recoverable in cash or in kind or for value to be received	32,915,918		84,817,069
Excise Duty	29,215,874		31,819,029
Security Deposits	1,623,968		1,592,718
MAT Credit Entitlement	15,411,200		18,554,200
Advance Income Tax /TDS	33,490,190		15,754,814
		112,657,150	152,537,830
		690,529,814	600,768,850
SCHEDULE 'H' - CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
SUNDRY CREDITORS			
Due to Micro, Small & Medium Enterprises	27,919		72,429
Others Creditors	141,645,159	141,673,078	81,834,819
Other Liabilities		23,613,775	91,397,672
Unclaimed Dividend		1,992,312	1,900,410
		167,279,165	175,205,330
PROVISIONS			
Interim Dividend		3,840,280	3,840,280
Tax on Interim Dividend		622,990	652,656
Proposed Final Dividend		3,840,280	4,800,350
Tax on Proposed Final Dividend		622,990	797,278
Employee Benefits		1,608,812	1,657,842
Taxation		35,108,200	17,751,200
		45,643,552	29,499,606
		212,922,717	204,704,936
SCHEDULE 'I' - OTHER INCOME			
Interest		5,053,117	3,603,855
(Tax Deducted at Source Rs. 5,813/-, Previous year Rs. 1,96,053/-)			
Miscellaneous Income		1,322,141	642,235
Rent Received		444,000	604,000
(Tax Deducted at Source Rs. 35,736/-, Previous year Rs. 1,01,695/-)			
Liabilities no more payable Written Back		4,776	210,154
Gain / (Loss) on Foreign Exchange Fluctuations		13,731,785	4,929,778
		20,555,819	9,990,022
SCHEDULE 'J' - MOVEMENT IN STOCK			
Opening Stock			
Finished Goods		14,375,967	13,983,561
Work in Progress		48,481,623	39,960,216
Semi-Finished Goods		3,685,467	3,703,160
Scrap		16,640	180,264
		66,559,697	57,827,201

	Amount Rupees	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
Closing Stock			
Finished Goods		22,997,182	14,375,967
Work in Progress		54,483,449	48,481,623
Semi-Finished Goods		2,408,176	3,685,467
Scrap		152,010	16,640
		80,040,817	66,559,697
Add/(Less): Excise duty variation on opening/closing stock		923,956	539,799
(Increase)/Decrease		(12,557,164)	(8,192,697)
SCHEDULE 'K' - MANUFACTURING & OTHER EXPENSES			
Stores & Spares Consumed		15,674,439	12,481,003
Power & Fuel		8,141,668	6,143,595
Salaries , Wages & Bonus		39,912,163	35,017,064
Employee's Welfare and Other Amenities		8,609,297	6,572,514
Machinery Repairs		9,022,200	9,182,648
Building Repairs		4,413,862	2,586,898
Other Repairs		8,126,583	6,790,752
Processing Charges		14,059,619	7,674,065
Research & Development		1,498,157	1,567,661
Insurance		4,214,866	5,971,065
Rent		2,233,228	1,619,484
Rates & Taxes		274,575	394,918
Managerial Remuneration		12,006,551	11,650,716
Travelling & Conveyance		12,972,661	9,969,816
Electricity and Water Charges		1,968,767	1,300,701
Printing & Stationery		1,235,362	931,497
Communication Expenses		1,796,427	1,422,976
Professional and Consultancy Charges		3,918,579	3,108,737
Charity and Donations		94,823	137,900
Wealth Tax		137,431	176,617
Business Promotion /Development, Advertisement & Publicity		4,344,571	7,923,667
Commission on Sales		39,840,912	34,609,439
Packing Cost		39,763,363	31,085,678
Forwarding & Freight		18,555,868	8,638,994
Irrecoverable Debts Written off		110,890	68,266
Loss on sale of Fixed Assets		163,991	3,373,121
Miscellaneous Expenses		5,480,329	5,131,377
		258,571,181	215,531,167
SCHEDULE 'L' - INTEREST & FINANCE CHARGES			
Interest on Term Loans		1,472,426	2,168,482
Interest (Others)		27,014,359	24,573,861
Bill Discounting Charges		2,398,588	2,532,310
		30,885,373	29,274,653

SCHEDULE - 'M' – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements have been prepared and presented on accrual basis following historical cost convention in accordance with generally accepted accounting principles (GAAP), in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 as prescribed by the Central Government.

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 amounts 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.

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 "First in First Out" 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.

4. 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.

5. Depreciation

- Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule-XIV of the Companies Act, 1956.
- Dies & Tools included under the head "Plant & Machinery" after being put to use, are depreciated over its estimated life of two years.

6. Research & Development Expenditure

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

7. Revenue Recognition:

- Sales are recognized on dispatch of goods from the factory and are recorded net of trade discounts, rebates, sales tax and returns.
- 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.

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.

9. Fixed Assets

- a. Fixed Assets are stated at cost (Net of CENVAT/Value added tax, wherever applicable) less accumulated depreciation/ amortization. Cost comprises the purchase price, freight, foreign exchange adjustments arising from exchange rate variations, borrowing cost attributable to the Qualifying Asset and any other directly attributable cost of bringing the asset to working condition for its intended use.
- b. Expenses incurred relating to New Industrial Undertaking (Unit-IV) prior to commencement of commercial production are classified as "Preliminary Project Expenditure pending Capitalization".

10. Capital Commitments

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

11. Foreign Currency Transactions

- a. Foreign currency transactions are accounted for at the exchange rate prevailing on the transaction date.
- b. Year end monetary assets and liabilities in foreign currency, other than pertaining to acquisition of fixed assets, are converted at the exchange rate prevailing on the Balance Sheet date and the resultant difference is charged/ credited to Profit & Loss account.
- c. Year end conversion differences in respect of liabilities pertaining to acquisition of fixed assets are adjusted to the costs of the relevant Assets.
- d. Forward contracts entered into to hedge foreign currency risks on foreign exchange liabilities are recognized in the financial statements at fair value as on balance sheet date in pursuance of the Accounting Standard (AS)-11 issued by ICAI and the premium or discount arising at the inception of forward contracts is amortized as expense or income over the life of respective contracts. Exchange differences on such contracts are recognized in Profit & Loss account in the year in which the exchange rate changes. Any profit & loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the year.
- e. The company records the gain or loss on effective hedges, if any, in Hedge Reserve until the transaction is complete. In respect of Commodity Hedging transactions, gain/ losses on settlement are recognized in the profit & loss account.

12. Investments

Long -term Investments including interests in Incorporated Jointly Controlled Entities are stated at cost, unless there is a permanent diminution in the value of Investments.

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.

14. Borrowing Cost

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.

15. 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.

16. Accounting for interests in joint ventures

Interests in joint ventures are in the nature of Incorporated Jointly Controlled Entities and are accounted for as:

- a) Income from joint ventures is recognized when the right to receive the same is established.
- b) Investment in joint ventures is carried at cost after providing for any permanent diminution in value.

17. 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.

18. 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.

19. Impairment

The Carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication 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 assets net selling price and value in use.

20. Provision, Contingent Liabilities and Contingent Assets

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

- i) the company has a present obligation as a result of past event,
- ii) a probable outflow of resources is expected to settle the obligation; and
- iii) 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 TO ACCOUNTS:

1. (a) **Contingent Liabilities in respect of:**

(Rs. in Lacs)

	Current Year	Previous Year
i. Bank Guarantee(s) submitted	92.55	52.50
ii. Letters of Credit established by the bank	208.04	576.71
iii. Bills Discounted	152.69	159.14
iv. Custom duty on Material imported against Advance License / for pending export obligation	68.27	2.31
v. Corporate Guarantee on behalf of JV Company	201.00	121.00
vi. Surety with Sales Tax Department	5.00	3.00

(b)

Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for	309.58	163.26
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2. The balances of Sundry debtors and Creditors are subject to confirmation; however, these are being monitored on regular basis.
3. (a) In the opinion of the management all the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provisions for all known liabilities have been adequately made in the accounts.
(b) The Company has initiated legal steps to recover the outstanding amount in respect of Debtor balance against exports amounting to Rs. 149.16 lacs. In accordance with the advise received from the company's solicitors in this case, the management is of the opinion that pending final outcome of "Recovery Law Suit" no provision is required to be made in the accounts, in the present situation.
4. Custom Duty not provided for in respect of materials lying in Bonded Warehouses / Materials in Transit as on Balance Sheet date, is of Rs. 239.27 lacs inclusive of Cenvatable amount of Rs. 189.50 lacs (Previous Year Rs. 67.64 lacs inclusive of Cenvatable amount of Rs. 56.01 lacs). However the above policy has no impact on the operating results of the Company.
5. The company is setting up a "New Industrial Undertaking Unit-IV" for manufacture of Cold Bonded Clad strips & parts and the expenditure incurred till Balance Sheet Date relating thereto has been shown under expenditure on New Industrial Undertaking (Unit-IV).

Details of expenditure on New Industrial Undertaking:-

a) Capital Advances	(In Rupees)
i) Advance for Land	30,00,000
ii) Advance for Plant & Machinery Dismantling	43,93,327
Total Rs. (A)	73,93,327
b) Expenditure incurred up to 31st March 2011 pending capitalization:	
i) Travelling:	3,16,073
ii) Survey Fees	15,170
iii) Bank Charges	15,697
iv) Consultancy	27,500
Total Rs. (B)	3,74,440
Total (A) + (B)	77,67,767

6. Payments to Auditors' (Excluding Service Tax)

(Rs. In Lacs)

	Current Year	Previous Year
1. Audit Fees	8.00	8.00
2. Tax Audit Fees	1.50	1.50
3. Other Services	4.00	5.63
4. Reimbursement of expenses	0.50	0.54

7. Balance with scheduled Banks in unclaimed dividend accounts amounting to Rs. 19.92 lacs (Previous year Rs. 19.00 lacs).
8. The financial risk mainly related to changes in the price of the base metals in respect of company's commitment are hedged by Commodity Hedged transactions aggregating to Rs. 37.85 Lacs (Previous Year Rs. NIL), outstanding as on 31st March 2011.
9. In compliance with the Notification dated March 31, 2009 issued by Ministry of Corporate Affairs and according to the newly inserted paragraph 46 of the Accounting Standard -11 "The effect of Changes in Foreign Exchange Rates", the company has adjusted Rs. 1.63 lacs (Previous Year Rs. 1.25 lacs) to the cost of relevant fixed assets.

10. (a) Managerial Remuneration

(Rs. in Lacs)

	Current Year	Previous Year
1. Salaries	106.50	102.00
2. Sitting Fees	0.28*	0.24*
3. Perquisites	0.51	2.09
Sub Total	107.29	104.33
4. Contribution to Provident Fund	12.78	12.24
Grand Total	120.07	116.57

*Sitting Fee paid to independent directors

- (b) Managerial remuneration payable in accordance with sub clause (iv) of clause B under section II of part II of Schedule XIII of the Companies Act, 1956.

Effective Capital of the Company	Rs. 3548.49 Lacs
Maximum amount payable per month to each managerial personal	Rs. 3 Lacs [#]

[#] Mr. S.S. Sandhu (Whole time Director) has been paid remuneration of Rs. 3.38 Lacs per month w.e.f. 1st April 2010, as per the permission granted by the Ministry of corporate affairs.

11. Earnings Per Share

	Year ended 31.03.2011	Year ended 31.03.2010
Net profit attributable to shareholders (Rs in Lacs)	643.18	510.90
Weighted average number of equity shares (No. in Lacs)	192.014	192.014
Basic earnings per share of Rs.2/- each (in Rs.)	3.35	2.66

12. "Related Party Disclosure" for the year ended 31st March, 2011 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

(a) Related parties and their relationships

i) **Key Management Personnel**

Mr. S. S. Sandhu	Chairman
Mr. N. S. Ghumman	Managing Director
Mr. D. J. S. Sandhu	Dy. Managing Director
Others	
Mr. Angad Sandhu	Business Development Manager
Mr. Kanav Anand	Asstt. General Manager –Marketing
Brig. J. M. Singh	Chief (HR & Admn.)

ii) **Associate Company**

Shivalik Bimetal Engineers Pvt. Ltd.

iii) **Joint Ventures**

- a) Checon Shivalik Contact Solutions Pvt. Ltd.
- b) Innovative Clad Solutions Pvt. Ltd.

iv) Enterprises over which persons referred in (i) above, or their relatives, are able to exercise significant influence:-

- a) TSL Holdings Ltd.
- b) Angad Estates Pvt. Ltd.
- c) Vishesh Credits Pvt. Ltd.

(b) Transactions with related parties

(Rs. in Lacs)

Nature of Transaction	(i)		(ii)	
	Key Management Personnel		Related Enterprises/ Person	
	Current Year	Previous Year	Current Year	Previous Year
Managerial Remuneration	120.07	116.57	-Nil-	-Nil-
Checon Shivalik Contact Solutions Pvt. Ltd.				
--Rent Received/Job Work Income	-Nil-	-Nil-	3.85	6.66
--Raw Material & Capital Goods Sold	-Nil-	-Nil-	7.62	6.52
--Raw Material Purchased	-Nil-	-Nil-	3.13	0.22
--Other Expenses	-Nil-	-Nil-	2.65	7.86
			17.25	21.26
Innovative Clad solutions Pvt. Ltd.				
-- Equity Shares	-Nil-	-Nil-	300.00	245.00
-- Share Application Money	-Nil-	-Nil-	-	75.00
-- Goods Purchased	-Nil-	-Nil-	0.82	1.99
-- Goods Sold	-Nil-	-Nil-	0.24	-
-- Other Expenses	-Nil-	-Nil-	-	1.23
			301.06	323.22

Nature of Transaction	(i)		(ii)	
	Key Management Personnel		Related Enterprises/ Person	
	Current Year	Previous Year	Current Year	Previous Year
Shivalik Bimetal Engineers Pvt. Ltd.				
-- Equity Shares	-Nil-	-Nil-	5.50	4.50
-- Share Application Money	-Nil-	-Nil-	24.20	-Nil-
-- Rent Received	-Nil-	-Nil-	0.33	-Nil-
-- Other Expenses	-Nil-	-Nil-	1.26	0.26
			31.29	4.76
Remuneration in pursuant to Section 314 of the Companies Act 1956 for holding an office or place of profit.	-Nil-	-Nil-	16.53	14.59
Office Rent Paid to enterprises mentioned in point iv(a)(b)(c) above	-Nil-	-Nil-	12.91	6.77

13. Expenditure on Research & Development

(Rs. in Lacs)

	Year ended 31.03.2011	Year ended 31.03.2010
Revenue	14.98	15.68

14. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of suppliers as defined under the "Micro, Small and Medium enterprises Development Act, 2006". As per Information available with the Company amount overdue at the year end on account of principal amount is Rs. 27,919/- (Previous year Rs. 72,429/-) and Nil (Previous year- Nil) interest is due thereon.

15. 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:

(Rs. in Lacs)

Sr. No.	Particulars	2010-11	2009-10
(a)	Employer's Contribution to Provident Fund	22.82	20.33
(b)	Employer's Contribution to Pension Scheme	12.13	10.73

(II) Defined Benefit Plan

- (a) Gratuity
- (b) Leave Encashment

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

Particulars	2010-11		2009-10	
	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)	9.15%	-	9.15%	-
Expected Average remaining working lives of employees in no. of years	23.54	23.54	24.10	24.16
Mortality Table (LIC)	(1994-96) duly modified		(1994-96) duly modified	

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2010-11	2009-10	2010-11	2009-10
(a) Changes in Present Value of Obligation					
	Opening balance of Present value of obligation	59.00	51.12	13.68	10.23
	Interest Cost	4.72	4.09	1.09	0.82
	Current Service Cost	6.40	4.61	2.25	1.98
	Benefits Paid	(2.12)	(4.56)	(0.25)	(1.15)
	Actuarial (Gain)/Loss on Obligation	6.51	3.74	(0.69)	1.80
	Closing Balance of Present value of obligation	74.38	59.00	16.09	13.68
(b) Changes in Fair Value of Plan Assets					
	Opening balance of Fair Value of Plan Assets	56.10	50.63	-	-
	Expected Return on Plan Assets	5.13	4.63	-	-
	Employer's Contribution	26.91	5.55	-	-
	Benefits paid	(2.12)	(4.56)	-	-
	Actuarial Gain/ (Loss) on Plan Assets	1.22	(0.15)	-	-
	Closing balance of Fair value of Plan Assets	87.25	56.10	-	-
	Actual return on Plan Assets	6.36	4.48	-	-

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2010-11	2009-10	2010-11	2009-10
(c)	Percentage of each category of Plan Assets to total Fair value of Plan assets				
	Administered by Life Insurance Corporation of India	100%	100%	-	-
(d)	Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets				
	Closing Balance of Present Value of Obligation	74.38	59.00	16.09	13.68
	Closing Balance of Fair Value of Plan Assets	87.25	56.10	-	-
	(Asset)/ Liability recognised the Balance Sheet	(12.86)	2.90	16.09	13.68
(e)	Amount Recognised in the Balance Sheet				
	Closing Balance of Present Value of Obligation	74.38	59.00	16.09	13.68
	Closing Balance of Fair Value of Plan Assets	87.25	56.10	-	-
	Funded (Asset)/ Liability recognized in the Balance Sheet	(12.86)	2.90	-	-
	Unfunded Liability recognised in the Balance Sheet		-	16.09	13.68
(f)	Expenses recognised in the statement of Profit and Loss				
	Current Service Cost	6.40	4.61	2.25	1.98
	Interest Cost	4.72	4.09	1.09	0.82
	Expected Return on Plan Assets	(5.13)	(4.63)	-	-
	Net Actuarial (Gain)/Loss recognised in the period	5.29	3.90	(0.69)	1.80
	Expenses recognized in the statement of Profit and Loss	11.15	7.97	2.66	4.60
(g)	Experience Adjustments				
	Experience adjustment on Plan Liabilities (loss)/gain	(6.51)	(3.75)	0.69	(1.06)
	Experience adjustment on Plan Assets (loss)/ gain	1.22	(0.15)	-	-
(h)	Expected employer contribution for the next year	5.70	9.52	2.67	2.90

16. Disclosure in respect of Associate

Name of Company	Country of Incorporation	% of Voting power held as at March 31, 2011	% of Voting power held as at March 31, 2010
Shivalik Bimetal Engineers Pvt. Ltd. (w.e.f. January 1, 2011)	India	45%	-

17. Disclosure in respect of Joint Venture

The company's Interest in the Joint Ventures are reported as Long Term Investment (Schedule-F) and stated at cost. The Disclosure as per AS -27 in respect of Investment in Joint Ventures is as under:

Particulars	Checon Shivalik Contact Solutions Pvt. Ltd.	Innovative Clad Solutions Pvt. Ltd.
Proportion of Ownership Interest	50%	33.33%
Products	Electrical Contacts	Industrial Clad Metals
Investment as on 31.03.2011	Rs. 118.96 Lacs	Rs. 1052.00 Lacs
Description of Interest	Jointly Controlled Entity	Jointly Controlled Entity
Joint Venture Partners	Checon Corporation, USA	i) Aperam Alloys Imphy, France (Formerly known as Arcelor Mittal Stainless & Nickel Alloys) ii) DNick Holdings Plc., UK
Country of Incorporation	India	India

		Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
		As At 31st March 2011 (Rs. in Lacs)	As At 31st March 2010 (Rs. in Lacs)	As At 31st March 2011 (Rs. in Lacs)	As At 31st March 2010 (Rs. in Lacs)
I	ASSETS				
1	Fixed Assets(including Capital Work in Progress)	183.38	133.35	1529.17	1565.04
2	Investments	-	-	-	-
3	Current Assets, Loans & advances				
a)	Inventories	244.38	74.64	191.01	58.05
b)	Sundry Debtors	81.73	29.93	8.91	0.39
c)	Cash and Bank Balance	18.94	29.54	32.19	190.70
d)	Other current Assets	2.24	0.51	1.49	1.46
e)	Loans & Advances	69.49	39.70	30.36	39.00
4	Miscellaneous Expenditure	-	-	8.70	11.59
5	Profit & Loss Account	-	-	509.68	61.38
II	LIABILITIES				
1	Shareholders' Funds-Reserves & Surplus	291.38	215.30	1052.00	827.00
2	Secured Loan	16.46	24.82	973.01	914.80
3	Deferred Tax (Net)	10.40	7.89	47.41	-
4	Current Liabilities and Provisions				
a)	Liabilities	253.27	46.96	237.88	184.96
b)	Provisions	28.65	12.70	1.22	0.85

		Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
		For the year ended 31st March 2011 (Rs. in Lacs)	For the year ended 31st March 2010 (Rs. in Lacs)	For the year ended 31st March 2011 (Rs. in Lacs)	For the year ended 31st March 2010 (Rs. in Lacs)
III	INCOME				
1	Sales (Net of Excise Duty/Custom duty)	573.67	253.76	37.73	2.32
2	Other Income	8.04	39.44	7.60	2.34
IV	EXPENSES				
1	Operating Expenses	491.93	253.79	264.42	39.11
2	Depreciation	7.32	5.48	70.71	11.80
3	Interest	3.86	3.41	111.08	14.93
4	Profit Before Taxation	78.60	30.52	(400.88)	(61.18)
5	Provision for Taxation (including deferred taxation & fringe benefit tax)	2.52	5.24	47.41	0.20
6	Profit after Tax	76.08	25.28	(448.29)	(61.38)
V	OTHER MATTERS				
1	Contingent Liabilities	1.50	1.00	41.78	39.64
2	Capital Commitments	30.15	0.85	1.16	2.70

The movement of the aggregate reserves of the joint venture is as under

	Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
	2010-11	2009-10	2010-11	2009-10
Opening Balance of Reserves	146.71	107.37	-	-
Add : Group share of Profits for the year	76.08	39.34	-	-
Closing Balance of Reserves	222.79	146.71	-	-

18. The corresponding figures of previous year have been regrouped/rearranged wherever found necessary, to conform to this year's presentation.
19. Additional information pursuant to the provisions of paragraphs 3 and 4 of part II of "Schedule VI of the Companies Act, 1956."

Class of Goods	Unit of Quantity	Current year Quantity	Previous year Quantity
A Installed capacity			
Thermostatic Bimetal/Trimetal Strips & parts (Clad & EB welded) (Single shift)	Tonnes	740	740
Parts for Color Picture Tubes, Electron Guns (Double shift)	No. of Pcs.	1,700 lacs	1,700 lacs
Reflow Solder (Single shift) (as certified by the Management and relied on by the Auditor's, being a technical matter)	Tonnes	50	50

B Production

		Current year	Previous year
Thermostatic Bimetal/Trimetal Strips and Parts	Tonnes	511.68	365.59
Job-work of Bimetal/Trimetal/Alloy Strips	Tonnes	281.03	363.59
Parts for Color Picture Tubes, Electron Guns	No. of Pieces	1113.95 lacs	1283.70 lacs
Reflow Solder	Tonnes	-	-

C Turnover

	Quantity	Value	Quantity	Value
		(Rs. in Lacs)		(Rs. in Lacs)
Bimetal/Trimetal Strips & Parts (Tonnes)				
- Domestic	232.42	3,364.45	218.09	2,910.38
- Export	270.01	3,315.78	148.13	1,909.44
Parts for Color Picture Tubes, Electron Guns (No. of Pcs., in lacs)				
- Domestic	1120.23 lacs	2,735.57	1277.09 lacs	2,977.87
- Export	0.00	0.00	0.00	0.00
Reflow Solder (Tonnes)				
- Export	-	-	-	-
Others	-	8.88	-	9.14

D Stock (finished Goods)

	Opening Stock		Closing Stock	
	Quantity	Value	Quantity	Value
	(Tonnes)	(Rs. In Lacs)	(Tonnes)	(Rs. In Lacs)
Bimetal/Trimetal Strips & Parts (Tonnes)	13.74	107.68	22.99	197.35
(Previous Year)	(15.92)	(119.43)	(13.74)	(107.68)
Parts for Color Picture Tubes, Electron Guns (No. of Pcs., in lacs)	8.23	18.53	1.95	6.04
(Previous Year)	(1.61)	(7.82)	(8.23)	(18.53)
Reflow Solder (Tonnes)	0.08	0.77	0.08	0.57
(Previous Year)	(0.08)	(1.07)	(0.08)	(0.77)

E Raw Material consumed

	Current year		Previous year	
	Quantity	Value	Quantity	Value
	(Tonnes)	(Rs. In Lacs)	(Tonnes)	(Rs. In Lacs)
Bimetal / Trimetal & other Alloy Strips (Tonnes)	951.01	5,255.36	863.79	4,232.97

F Consumption of Raw Materials, stores & spares

	% of total	Value	% of total	Value
	Consumption (Rs. In Lacs)	Consumption (Rs. In Lacs)	Consumption (Rs. In Lacs)	Consumption (Rs. In Lacs)
Raw material				
- imported	89.00	4,677.48	80.54	3,409.22
- indigenous	11.00	577.88	19.46	823.75
	100 %	5,255.36	100 %	4,232.97
Stores & Spares				
- imported	22.32	34.98	19.54	24.39
- indigenous	77.68	121.76	80.46	100.42
	100 %	156.74	100 %	124.81

G	Value of imports calculated on CIF basis	Current Year	Previous Year
	Raw Material	4,231.22	2,769.47
	Capital Goods	76.67	15.64
	Stores & Spares	36.11	25.39
H	Expenditure in foreign currency	74.36	74.56
I	Earning in foreign currency :	3,428.15	1,944.76
	i) Export of goods calculated on F.O.B. basis (Net of Returns)	3,290.83	1,895.46
	ii) Receipts on account of Exchange Fluctuations	137.32	49.30

20. Additional Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956

i) Registration Details

Registration No.	L27101HP1984PLC005862
State Code No.	06
Balance Sheet Date	31.03.2011

ii) Capital Raised During the Year (Amount in Thousand)

Public Issue (Issue through the prospectus)	-
Rights Issue (including share premium)	-
Bonus Issue	-
Private Placement (Firm allotment to the promoters and their Associates)	-

iii) Position of Mobilisation and Deployment of Funds (Amount in Thousand)

Total Liabilities	1,027,349
Total Assets	1,027,349

SOURCE OF FUNDS :

Paid-up Capital	38,403
Reserves & Surplus	450,099
Secured Loans	281,680
Unsecured Loans	21,546
Deferred Tax Liability	22,698

APPLICATION OF FUNDS :

Net Fixed Assets (Including Capital WIP)	217,296
Investments	119,523
Net Current Assets	477,607

iv) Performance of the Company (Amount in Thousand)

Turnover	964,716
Total expenditure	877,628
Profit before Tax	87,088
Profit after Tax	64,318
Earning per share in Rs.	3.35
Dividend Rate %	30.00%

v) Generic Name of Principal Product of the Company (As per Monetary Terms)

Product Description	Item Code No.
Thermostatic Bimetal/Trimetal Strips and Components.	722699
Parts for Color Picture Tubes & Electron Guns	854091



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS



To,

The Board of Directors of Shivalik Bimetal Controls Limited

1. We have audited the attached Consolidated Balance Sheet of Shivalik Bimetal Controls Limited, its Associate (WOS upto 31st Dec.,2010) and joint venture companies (together referred to as 'the group' as described in Note 1) as at 31st March, 2011, and the related Consolidated Profit and Loss Account and also the Consolidated Cash flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentations. We believe that our audit provides a reasonable basis of our opinion.
3. We report that the financial statements of the Associate (WOS upto 31st Dec.,2010) and joint ventures as audited by us reflect the Group's share of total assets of Rs.2609.10 lacs as at 31st March, 2011, total revenue of Rs.697.27 lacs and cash flows amounting to Rs.63.18 lacs for the year ended on that date.
4. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirement of Accounting Standard 21- "Consolidated Financial Statements", Accounting Standard 23" Accounting for Investments" and Accounting Standard 27- "Financial Reporting of Interest in Joint Ventures" issued by the institute of Chartered Accountants of India.
5. Based on our audit, in our opinion and to the best of our information and according to the explanation given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Shivalik Group as at 31st March, 2011.
 - b) In the case of the Consolidated Profit and Loss account, of the consolidated results of operations of the Shivalik Group for the year ended on that date; and
 - c) In the case of Consolidated Cash Flow Statement, of the Consolidated Cash flows of the Shivalik Group for the year ended on that date.

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

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

Place : New Delhi
Date : August 19, 2011



SHIVALIK BIMETAL CONTROLS LIMITED

Consolidated Balance Sheet as at 31st March, 2011



	Schedule	Amount Rupees	As at 31st March 2011 Rupees	As at 31st March 2010 Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A		38,402,800	38,402,800
Reserves & Surplus	B		420,305,258	406,553,982
			<u>458,708,058</u>	<u>444,956,782</u>
Loan Funds				
Secured Loans	C		384,883,597	305,173,542
Unsecured Loans			21,546,365	8,674,732
			<u>406,429,962</u>	<u>313,848,274</u>
Deferred Tax Liability	D		28,485,947	21,228,873
TOTAL.....			<u>893,623,967</u>	<u>780,033,929</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	507,072,405		464,770,064
Less :Accumulated Depreciation		<u>143,774,377</u>		<u>119,807,196</u>
Net Block			363,298,028	344,962,868
Expenditure on New Industrial Undertaking (Unit IV) (Refer Note 6 Schedule N)			7,767,767	
Capital Work-in- Progress			4,422,921	2,581,580
Advances for Capital Expenditure			15,189,369	6,931,901
Pre-operative & Incidental expenditure pending capitaliaion			2,636,521	1,771,418
Machinery in Transit			<u>1,912,442</u>	<u>116,209</u>
			395,227,047	356,363,976
Goodwill			3,607,982	3,607,982
INVESTMENTS	F		1,877,500	200,000
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	G	336,706,915		195,973,467
Sundry Debtors		276,397,585		253,956,579
Cash and Bank Balances		22,147,508		35,814,548
Other Current Assets		1,983,867		1,582,425
Loans & Advances		<u>123,512,837</u>		<u>160,808,575</u>
		760,748,712		648,135,594
Less : Current Liabilities & Provisions	H			
Current Liabilities		220,153,498		198,536,966
Provisions		<u>48,683,490</u>		<u>30,908,625</u>
		268,836,987		229,445,591
Net Current Assets			491,911,724	418,690,003
Miscellaneous Expenditure (to the extent not written off or adjusted)	I		999,714	1,171,968
TOTAL.....			<u>893,623,967</u>	<u>780,033,929</u>

Significant Accounting Policies and Notes to Accounts " Schedule N"
The Schedules referred to herein form an integral part of the Balance Sheet.

As per our report of even date

For **MALIK S & CO.**

Chartered Accountants

Firm Registration no. 00383N

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

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

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi

Dated : August 19, 2011



SHIVALIK BIMETAL CONTROLS LIMITED

Consolidated Profit & Loss Account for the Year ended 31st March, 2011



Schedule	Year ended on 31st March 2011 Rupees	Year ended on 31st March 2010 Rupees
INCOME		
Sales	1,010,029,992	808,020,898
Less : Excise / Custom Duty	62,639,890	47,037,980
Sales (Net)	947,390,102	760,982,918
Services		
Technical Consultancy Services	600,000	700,000
Job Work	123,407	138,673
Export Incentives	1,568,138	-
Sales and other operating Income	949,681,647	761,821,592
Other Income J	21,915,176	13,870,412
Sales & Other Income	971,596,823	775,692,004
EXPENDITURE		
(Increase)/Decrease in Stock K	(31,039,283)	(11,053,331)
Cost of Raw Material Consumed	587,544,476	444,050,470
Manufacturing & Other Expenses L	290,707,536	226,431,104
Interest & Finance Charges M	42,382,768	31,110,308
Depreciation	26,788,901	18,544,057
Miscellaneous Expenses Written Off	294,564	491,134
	916,678,962	709,573,741
Profit before tax	54,917,861	66,118,263
Provision for Taxation		
- Current Tax	22,067,500	17,915,500
- MAT Credit Entitlement	(1,567,500)	(472,500)
- Deferred Tax	7,257,072	(164,390)
Taxation adjustments of previous years (Net)	4,870	1,323,342
Profit after Tax	27,155,919	47,516,310
Profit Brought Forward	210,133,648	196,302,781
Add: MAT Credit Entitlement of previous years	-	1,405,121
Amount Available for Appropriations	237,289,567	245,224,212
APPROPRIATIONS		
Interim Dividend	7,680,560	3,840,280
Tax on Interim Dividend	1,260,813	652,656
Proposed Final Dividend	3,840,280	4,800,350
Tax on Proposed Final Dividend	622,990	797,278
Transfer to General Reserve	10,000,000	25,000,000
Balance carried to Balance Sheet	213,884,924	210,133,648
	237,289,567	245,224,212
Basic and Diluted Earnings per share (Rs.)	1.41	2.47

Significant Accounting Policies and Notes to Accounts "Schedule N"

The Schedules referred to herein form an integral part of Profit & Loss Account.

As per our report of even date

For **MALIK S & CO.**

Chartered Accountants

Firm Registration no. 00383N

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

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

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi

Dated : August 19, 2011



SHIVALIK BIMETAL CONTROLS LIMITED

Consolidated Cash Flow Statement for the Year ended 31st March, 2011



	Year ended on 31st March 2011 Rupees	Year ended on 31st March 2010 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	54,917,861	66,118,263
Adjustments for:		
Depreciation	26,788,901	18,544,057
Interest Paid	42,382,768	31,110,308
Misc. expenses written off	294,564	296,134
Interest Received	(320,208)	(339,701)
Amount Written Back	(56,448)	(4,039,995)
Debtors/ Unrecoverable Amount Written Off	111,415	68,266
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss	(12,840)	(106,813)
(Profit)/Loss on sale of fixed asset	121,247	3,373,121
Operating Profit before Working Capital changes	124,227,260	115,023,640
Adjustment for :		
Trade and other receivables	(22,552,421)	(16,859,823)
Inventories	(140,733,448)	25,627,610
Trade Payables	21,615,467	43,697,336
Loans and Advances	54,848,623	(82,250,082)
Other current Assets	(401,442)	(589,850)
Cash generated from operations	37,004,039	84,648,830
Direct taxes paid	(19,153,255)	(9,339,695)
Cash flow from Ordinary items	17,850,784	75,309,135
Net Cash flow from operating Activities	17,850,784	75,309,135
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(47,788,807)	(174,363,431)
Miscellaneous Expenses	(122,310)	(555,090)
Sale of Fixed Assets	2,543,467	8,621,281
Capital Work In Progress	(12,270,411)	76,025,482
Capital Advance	(8,257,468)	(2,176,262)
Interest Received	320,208	339,701
Long Term Investment	(1,677,500)	-
Net cash (used) in / from investing activities	(67,252,821)	(92,108,320)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Bank Borrowings	79,347,273	(18,179,172)
Vehicle Loan	10,593,755	(631,324)
Term Loan Paid	(10,230,975)	78,331,047
Unsecured Loan	12,871,633	5,164,880
Interest Paid	(42,382,768)	(31,110,308)
Dividend including Dividend Tax paid	(14,476,765)	(10,008,470)
Net Cash (used) in / from financing activities	35,722,155	23,566,655
NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS	(13,679,882)	6,767,470
Cash and Cash equivalents as on 1st April, 2010 (Opening Balance)	35,814,548	28,940,265
Exchange Difference on translation of foreign currency cash & cash equivalent	12,840	106,813
Cash and Cash equivalents as on 31st March 2011 (Closing Balance)	22,147,508	35,814,548
Cash and Cash equivalents as on 31st March 2011 as per book	22,147,508	35,814,548

As per our report of even date

For **MALIK S & CO.**

Chartered Accountants

Firm Registration no. 00383N

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

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

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi

Dated : August 19, 2011



SHIVALIK BIMETAL CONTROLS LIMITED

Schedules Forming part of the Consolidated Balance Sheet
as at and Profit & Loss Account for the year ended 31st March, 2011



	Amount Rupees	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
SCHEDULE 'A' SHARE CAPITAL			
(a) AUTHORISED			
2,50,00,000 Equity Shares (Previous year 2,50,00,000 Equity Shares) of Rs. 2/- each		<u>50,000,000</u>	<u>50,000,000</u>
(b) ISSUED, SUBSCRIBED & PAID-UP			
1,92,01,400 Equity Shares (Previous year 1,92,01,400 Equity Shares) of Rs 2/- each, Fully paid-up		<u>38,402,800</u>	<u>38,402,800</u>
SCHEDULE 'B' RESERVES AND SURPLUS			
(a) Capital Reserve		6,420,334	6,420,334
(b) General Reserve			
Balance as per last year:	190,000,000		165,000,000
Add: Transferred from profit & loss account	<u>10,000,000</u>		<u>25,000,000</u>
		200,000,000	190,000,000
(c) Profit & Loss Account			
Balance carried forward		<u>213,884,924</u>	<u>210,133,648</u>
		<u>420,305,258</u>	<u>406,553,982</u>
SCHEDULE 'C' SECURED LOANS			
FROM BANK			
(Secured by hypothecation of stocks, movable properties and Book Debts, both present and future And Equitable mortgage of company's Factory Land and Building).			
Cash Credit / Working Capital Loans		266,785,511	187,438,238
Machinery Term Loan		97,553,907	107,784,881
(Pari passu first charge over the Plants & Machinery of the Company, both present and future, with Himachal Pradesh State Industrial Development Corporation Ltd. For the capital subsidy of Rs 63.63 lakh availed by the company from the Government.)			
(Amount repayable within one year Rs. 278.51 lacs (Previous year Rs. 160.28 lacs))		<u>364,339,418</u>	<u>295,223,119</u>
VEHICLE LOANS			
From Banks	19,648,024		7,058,791
From Others	<u>896,155</u>	20,544,179	2,891,632
(Amount repayable within one year Rs. 113.11 lacs (Previous year Rs. 74.80 lacs))			
		<u>384,883,597</u>	<u>305,173,542</u>
SCHEDULE 'D' DEFERRED TAX LIABILITY (NET)			
Deferred Tax Liabilities:		21,228,873	21,393,263
Depreciation		<u>6,715,697</u>	<u>306,338</u>
		<u>27,944,570</u>	<u>21,699,601</u>
Less : Deferred Tax Assets:			
Others		(541,377)	470,728
		<u>(541,377)</u>	<u>470,728</u>
		<u>28,485,947</u>	<u>21,228,873</u>

SCHEDULE 'E' - CONSOLIDATED FIXED ASSETS

Particulars	COST					DEPRECIATION				NET BLOCK	
	As at 01.04.10	Additions	Sale/Transfer during the year	Adjustments	As at 31.03.11	As at 01.04.10	During the year	Adjustments	UPTO 31.03.11	AS AT 31.03.11	AS AT 31.03.10
1. Land (Leasehold)	6,277,894	-	-	-	6,277,894	361,226	197,082	-	558,258	5,719,636	5,916,668
2. Site Development	1,296,421	-	-	-	1,296,421	985,297	43,300	-	1,028,597	267,824	311,124
3. Building	76,913,822	3,255,797	-	-	80,169,619	9,757,709	2,582,663	-	12,340,372	67,829,247	67,156,113
4. Plant & Machinery	314,593,875	9,355,652	1,365,194	(26,250)	322,558,083	87,973,811	16,775,022	712,127	104,036,706	218,521,378	226,620,064
5. Furniture & Fixtures	14,207,002	1,399,496	2,074	-	15,604,424	4,174,141	1,023,008	11	5,197,136	10,407,289	10,032,862
6. Vehicles	36,503,883	31,988,170	3,904,464	-	64,587,589	8,609,881	5,016,790	1,960,423	11,666,248	52,921,341	27,894,002
7. Office Equipment & Appliances	14,977,166	1,815,942	214,732	-	16,578,376	7,945,132	1,151,089	149,160	8,947,061	7,631,315	7,032,034
TOTAL (Rs.)	464,770,062	47,815,057	5,486,464	(26,250)	507,072,405	119,807,196	26,788,901	2,821,721	143,774,377	363,298,028	344,962,868
Previous Year	305,453,098	174,822,972	15,506,006		464,770,064	104,315,201	19,003,599	3,511,604	119,807,197	344,962,868	201,137,896
Capital Work-In-Progress										4,422,921	2,581,581
Advances for Capital Expenditure										15,189,369	6,931,901
Machinery in Transit										1,912,442	116,209
Preliminary Project Expenditure pending for Capitalization										2,636,521	1,771,418
Expenditure on New Industrial Undertaking(Unit IV)										7,767,767	-
										31,929,019	11,401,108
										395,227,047	356,363,976

Amount
Rupees

As At
31st March 2011
Rupees

As At
31st March 2010
Rupees

SCHEDULE 'F' INVESTMENTS

LONG TERM UNQUOTED SHARES

20,000 Equity Shares (Previous year-20000 Equity shares)

of SSWML of Rs.10/-each-Fully paid up

200,000

200,000

55,000 Equity Shares (Previous year-Nil) of SBEPL

of Rs.10/-each-Fully paid up

550,000

-

Share Application Money

1,127,500

-

1,877,500

200,000

SCHEDULE 'G' CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS

INVENTORIES: (as taken, valued and certified by Management)

Stores & Spares	6,499,162	4,494,284
Packing Material	450,336	479,176
Finished Goods	24,404,489	14,539,780
Finished Goods lying with consignee at Germany	327,948	222,892
Work-in-progress	64,067,047	50,375,506
Semi-Finished goods	7,366,450	4,079,174
Raw Materials	94,496,629	62,341,042
Scrap	8,422,605	3,351,351
Stock of Stationery	65,724	65,349
Material in Transit	42,544,745	19,372,169
Stock with Bonded Warehouse	88,061,780	36,652,744

336,706,915

195,973,467

SUNDRY DEBTORS

(Unsecured - Considered Good)

a) Debts outstanding - exceeding Six Months

40,702,000

44,220,316

b) Other Debts

235,695,585

209,736,263

276,397,585

253,956,579

	Amount Rupees	As At 31st March 2011 Rupees	As At 31st March 2010 Rupees
CASH AND BANK BALANCES			
Cash on hand	467,154		363,936
Cheques-on-hand	4,632,287		8,635,141
Balance with Scheduled Banks			
Current Accounts	10,866,337		4,521,864
Current Accounts in Foreign Currency	3,833,880		237,145
Margin Money	2,347,850		22,056,462
		22,147,508	35,814,548
OTHER CURRENT ASSETS			
Gold Coins		1,983,867	1,582,425
LOANS AND ADVANCES			
(Unsecured - Considered Good)			
Advances recoverable in cash or in kind or for value to be received	34,384,925		86,709,948
Excise Duty	29,677,153		32,296,153
Security Deposits	4,051,508		3,956,108
MAT Credit Entitlement	18,856,321		20,431,821
Advance Income Tax /TDS	36,542,930		17,414,545
		123,512,837	160,808,575
		760,748,712	648,135,594
SCHEDULE 'H' CURRENT LIABILITIES AND PROVISIONS			
CURRENT LAIBILITIES			
SUNDRY CREDITORS			
Due to Micro, Small & Medium Enterprises	34,164		465,379
Other Creditors	174,917,088	174,951,252	103,295,330
Other Liabilities		43,209,934	92,875,847
Unclaimed Dividend		1,992,312	1,900,410
		220,153,498	198,536,966
PROVISIONS			
Interim Dividend		3,840,280	3,840,280
Tax on Interim Dividend		622,990	652,656
Proposed Final Dividend		3,840,280	4,800,350
Tax on Proposed Final Dividend		622,990	797,278
Employee Benefits		1,797,006	1,762,617
Taxation		37,959,944	19,055,444
		48,683,490	30,908,625
		268,836,988	229,445,591
SCHEDULE 'I' MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)			
Preliminary Expenses		1,294,278	1,468,103
Less : Expenses Written off		294,564	296,135
		999,714	1,171,968
SCHEDULE 'J' OTHER INCOME			
Interest		5,300,441	3,892,097
(Tax Deducted at Source Rs.26,378/-, (Previous year Rs. 2,07,737/-))			
Miscellaneous Income		1,767,290	642,712
Rent Received		282,000	302,000
(Tax Deducted at Source Rs. 35,736 /- (Previous year Rs.50,848/-))			
Liabilities no more payable Written Back		56,448	4,039,995
Gain / (Loss) on Foreign Exchange Fluctuations		14,508,997	4,993,608
		21,915,176	13,870,412

	Year Ended on 31st March 2011 Rupees	Year Ended on 31st March 2010 Rupees
SCHEDULE 'K' MOVEMENT IN STOCK		
Opening Stock		
Finished Goods	14,762,672	14,601,630
Work in Progress	50,375,506	40,974,853
Semi-Finished Goods	4,079,174	3,904,088
Scrap	3,321,418	1,478,344
	72,538,770	60,958,915
Closing Stock		
Finished Goods	24,732,437	14,762,672
Work in Progress	64,067,047	50,375,506
Semi-Finished Goods	7,366,450	4,079,174
Scrap	8,392,671	3,321,418
	104,558,605	72,538,770
Add/(Less): Excise duty variation on opening/closing stock	980,553	526,524
(Increase)/Decrease	(31,039,283)	(11,053,331)
SCHEDULE 'L' MANUFACTURING & OTHER EXPENSES		
Stores & Spares Consumed	17,395,708	12,813,609
Power & Fuel	13,231,982	7,025,480
Salaries , Wages & Bonus	49,828,336	37,988,981
Employee's Welfare and Other Amenities	9,686,885	6,765,123
Machinery Repairs	9,681,044	9,277,795
Building Repairs	6,100,946	2,764,877
Other Repairs	9,364,608	7,103,387
Processing Charges	14,059,619	7,674,065
Research & Development	1,685,528	1,567,661
Insurance	4,394,110	6,008,931
Rent	3,892,798	1,968,126
Rates & Taxes	420,215	397,152
Managerial Remuneration	12,006,551	11,650,716
Travelling & Conveyance	16,254,061	11,613,352
Electricity and Water Charges	1,995,832	1,303,701
Printing & Stationery	1,340,024	1,005,810
Communication Expenses	2,113,454	1,529,454
Professional and Consultancy Charges	7,322,604	6,313,820
Charity and Donations	97,323	137,900
Wealth Tax	137,431	176,617
Business Promotion /Devlopment, Advertisement & Publicity	4,489,562	8,300,355
Commission on Sales	39,840,912	34,609,439
Packing Cost	39,763,363	31,085,678
Forwarding & Freight	19,342,627	8,665,245
Irrecoverable Debts Written off	111,415	68,266
Loss on sale of Fixed Assets	121,247	3,373,121
Miscellaneous Expenses	6,029,351	5,242,445
	290,707,536	226,431,104
SCHEDULE 'M' INTEREST & FINANCE CHARGES		
Interest on Term Loans	11,244,408	3,744,576
Interest (Others)	28,739,772	24,833,422
Bill Discounting Charges	2,398,588	2,532,310
	42,382,768	31,110,308

SCHEDULE -'N' SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

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 2011:

- a) Shivalik Bimetal Engineers Pvt. Ltd. (referred to as "SBEPL"), a company incorporated in India, was a subsidiary Company wherein 100% of its shares were held by the Company and has been carrying on the business of rendering Engg. & Technical services.
The shareholding in 'SBEPL' has been reduced to 45%, therefore, the 'SBEPL' ceases to be subsidiary of the company w.e.f. 1st of Jan., 2011.
- b) 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, Toplay and Revits.
- c) Innovative Clad Solutions Pvt. Ltd. (referred to as "ICS"), a company incorporated in India, is a Joint Venture Company wherein 33.33% of its Shares are held by the Company. ICS has set up facilities for manufacturing of Clad products at SEZ Pithampur, Indore, M.P.

The Company, together with its Associate and the joint ventures, is hereinafter referred to as "Shivalik Group".

2. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements of the Shivalik Group have been prepared in accordance with Accounting Standards 21-"Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India (ICAI).

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 100% owned & controlled Subsidiary up to 31st December 2010 and two joint venture Companies as at 31st March 2011 according to Accounting Standards-21 and 27 issued by ICAI. Interest in Associate (w.e.f 1st Jan., 2011) and other Investments have been accounted for as per Accounting Standard 13 - "Accounting for Investments" pursuant to exception(s) provided in Accounting Standard-23.

The Consolidated Financial Statements have been combined on a line-by-line basis in the case of subsidiary (upto 31st Dec., 2010) and on proportionate basis in the case of joint venture 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.

The difference between the cost of investment in subsidiary and joint venture, over the net assets at the time of the acquisition of shares in subsidiary and joint venture is recognized in the financial statements as goodwill or capital reserve as the case may be.

3. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in the similar circumstances and are presented in the same manner as the Company's separate financial statements except the followings accounting policy with respect to our joint venture companies:-

(i) Inventories

Semi-Finished/WIP are valued at weighted average costs including related overheads after providing for obsolescence, wherever considered necessary.

(ii) Depreciation

Leasehold Land has been amortized over the leasehold term/life of the lease.

4. OTHER SIGNIFICANT ACCOUNTING POLICIES:

These are set out under "Significant Accounting Policies" as given in the standalone financial statements of Shivalik Bimetal Controls Ltd.

NOTES TO CONSOLIDATED ACCOUNTS

1) (a) **Contingent Liabilities** in respect of:

(Rs. in Lacs)

Particulars	Current Year	Previous Year
(i) Bank Guarantee(s) submitted	92.55	52.50
(ii) Letters of Credit established by the bank	208.04	601.16
(iii) Bills Discounted	152.69	159.14
(iv) Custom duty on Material imported against Advance License / for pending export obligation	68.27	2.31
(v) Custom duty foregone on import of Raw Material and Capital Goods, being Joint Venture Co. in SEZ	126.27	99.67
(vi) Corporate Guarantee on behalf of JV Company	201.00	121.00
(vii) Surety with Sales Tax Department	6.50	4.00
(b) Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for	340.89	166.82

- 2) The balances of Sundry debtors and Creditors are subject to confirmation; however, these are being monitored on regular basis.
- 3) a) In the opinion of the management all the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provisions for all known liabilities have been adequately made in the accounts.
- b) The Company has initiated legal steps to recover the outstanding amount in respect of Debtor balance against exports amounting to Rs. 149.16 lacs. In accordance with the advice received from the company's solicitors in this case, the management is of the opinion that pending final outcome of "Recovery Law Suit" no provision is required to be made in the accounts, in the present situation.
- 4) The financial risk mainly related to changes in the price of the base metals in respect of company's commitment are hedged by Commodity Hedged transactions aggregating to Rs. 37.85 Lacs (Previous Year Rs. NIL), outstanding as on 31st March 2011.
- 5) In compliance with the Notification dated March 31, 2009 issued by Ministry of Corporate Affairs and according to the newly inserted paragraph 46 of the Accounting Standard -11 "The effect of Changes in Foreign Exchange Rates", the company has adjusted foreign exchange loss (net) Rs. 0.86 lacs (Previous Year Rs. 7.34 lacs) to the cost of relevant fixed assets.
- 6) The company is setting up a "New Industrial Undertaking-(Unit-IV)" for manufacture of Cold Bonded Clad strips & parts and the expenditure incurred till Balance Sheet Date relating thereto has been shown under expenditure on New Industrial Undertaking (Unit-IV).

Details of expenditure on New Industrial Undertaking:-

a) Capital Advances	(In Rupees)
Advance for Land	30,00,000
Advance for Plant & Machinery Dismantling	43,93,327
Total Rs. (A)	73,93,327
b) Expenditure incurred upto 31st March 2011 pending capitalization:	
i) Travelling	3,16,073
ii) Survey Fees	15,170
iii) Bank Charges	15,697
iv) Consultancy	27,500
Total Rs. (B)	3,74,440
Total (A) + (B)	77,67,767

- 7) Custom Duty not provided for in respect of materials lying in Bonded Warehouses / Materials in Transit as on Balance Sheet date, is of Rs. 239.27 lacs inclusive of Cenvatable amount of Rs. 189.50 lacs (Previous Year Rs. 67.64 lacs inclusive of Cenvatable amount of Rs. 56.01 lacs). However the above policy has no impact on the operating results of the Company.

8) **The obligation for future lease rentals in respect of leased assets, aggregate to:**

(Rs. in Lacs)

	Current Year	Previous Year
i. Lease rental due not later than one year	4.44	6.00
ii. Lease rental due later than one year but not later than five years	24.71	24.00
iii. Lease rental due later than five years	964.75	29.50

9) **Expenditure on Research & Development**

(Rs. in Lacs)

	Year ended 31.03.2011	Year ended 31.03.2010
Revenue	14.98	15.68

10) **Earnings Per Share**

	Year ended 31.03.2011	Year ended 31.03.2010
Net profit attributable to shareholders (Rs in Lacs)	271.56	475.16
Weighted average number of equity shares (No. in Lacs)	192.014	192.014
Basic Earnings per share of Rs.2/- each (in Rs.)	1.41	2.47

- 11) Balance with scheduled Banks in unclaimed dividend accounts amounting to Rs.19.92 lacs (Previous year Rs. 19.00 lacs).
- 12) Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of suppliers as defined under the "Micro, Small and Medium enterprises Development Act, 2006". As per Information available with the Company amount overdue at the year end on account of principal amount is Rs. 34,865/- (Previous year Rs. 4,63,379/-) and Nil (Previous year- NIL) interest is due thereon.
- 13) "Related Party Disclosure" for the year ended 31st March, 2011 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

(a) **Related parties and their relationships**

Sr. No.	Name of the Related Party	Relationship
1.	Shivalik Bimetal Engineers Pvt. Ltd.	Associate Company
2.	Checon Shivalik Contact Solutions Pvt. Ltd.	Joint Venture Company
3.	Innovative Clad Solutions Pvt. Ltd.	Joint Venture Company
4.	Mr. S. S. Sandhu	Key Managerial Personnel
5.	Mr. N. S. Ghumman	
6.	Mr. D. J. S. Sandhu	
7.	Mr. Angad Sandhu	Relatives of Key Managerial Personnel
8.	Mr. Kanav Anand	
9.	Brig. J. M. Singh	
10.	Mr. Sumer Ghumman	
11.	Mr. Kabir Ghumman	
12.	TSL Holdings Ltd.	Enterprises over which key managerial personnel are able to exercise significant influence
13.	Angad Estates Pvt. Ltd.	
14.	Vishesh Credits Pvt. Ltd.	

(b) Transactions with related parties
(Rs. in Lacs)

Nature of Transaction	(i)		(ii)	
	Key Management Personnel		Related Enterprises/Person	
	Current Year	Previous Year	Current Year	Previous Year
Managerial Remuneration	120.07	116.57	-Nil-	-Nil-
Remuneration in pursuant to Section 314 of the Companies Act 1956 for holding an office or place of profit.	-Nil-	-Nil-	31.81	21.34
Office Rent Paid to enterprises mentioned in point iv(a)(b)(c)	-Nil-	-Nil-	12.91	6.77

14) 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:

(Rs. in Lacs)

Sr. No.	Particulars	2010-11 Rupees	2009-10 Rupees
(a)	Employer's Contribution to Provident Fund	23.48	21.19
(b)	Employer's Contribution to Pension Scheme	13.18	10.90

(II) Defined Benefit Plan

- (a) Gratuity
- (b) Leave Encashment

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

Particulars	2010-11		2009-10	
	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)	9.15%	-	9.15%	-
Expected Average remaining working lives of employees in no. of years	46.08	46.08	24.10	24.16
Mortality Table (LIC)	(1994-96) duly modified		(1994-96) duly modified	

(Rs. in Lacs)

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2010-11	2009-10	2010-11	2009-10
(a) Changes in Present Value of Obligation					
	Opening balance of Present value of obligation	59.41	51.20	13.92	10.33
	Interest Cost	4.75	4.09	1.11	0.82
	Current Service Cost	6.83	4.95	2.56	2.20
	Benefits Paid	(2.12)	(4.56)	(0.37)	(1.28)
	Actuarial (Gain)/Loss on Obligation	6.36	3.77	(0.65)	1.83
	Closing Balance of Present value of obligation	75.23	59.45	16.57	13.90
(b) Changes in Fair Value of Plan Assets					
	Opening balance of Fair Value of Plan Assets	56.10	50.63	–	–
	Expected Return on Plan Assets	5.13	4.63	–	–
	Employer's Contribution	26.91	5.55	–	–
	Benefits paid	(2.12)	(4.56)	–	–
	Actuarial Gain/ (Loss) on Plan Assets	1.22	(0.15)	–	–
	Closing balance of Fair value of Plan Assets	87.24	56.10	–	–
	Actual return on Plan Assets	6.36	4.48	–	–
(c) Percentage of each category of Plan Assets to total Fair value of Plan assets					
	Administered by Life Insurance Corporation of India	100%	100%	–	–
(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets					
	Closing Balance of Present Value of Obligation	75.23	59.45	16.58	13.90
	Closing Balance of Fair Value of Plan Assets	87.24	56.10	–	–
	(Asset)/ Liability recognised the Balance Sheet	(12.01)	3.35	16.58	13.90
(e) Amount Recognised in the Balance Sheet					
	Closing Balance of Present Value of Obligation	75.23	59.45	16.58	13.90
	Closing Balance of Fair Value of Plan Assets	87.24	56.10	–	–
	Funded (Asset)/ Liability recognised the Balance Sheet	(12.73)	2.90	16.09	–
	Unfunded Liability recognised in the Balance Sheet	0.72	0.45	0.49	13.90
(f) Expenses recognised in the statement of Profit and Loss					
	Current Service Cost	6.83	4.95	2.56	2.20
	Interest Cost	4.75	4.09	1.11	0.82
	Expected Return on Plan Assets	(5.13)	(4.63)	–	–
	Net Actuarial (Gain)/Loss recognised in the period	5.14	3.93	(0.65)	1.83
	Expenses recognized in the statement of Profit and Loss	11.59	8.34	3.02	4.85
(g) Experience Adjustments					
	Experience adjustment on Plan Liabilities (loss)/gain	(6.51)	(3.77)	0.69	(1.14)
	Experience adjustment on Plan Assets (loss)/ gain	1.22	0.15	–	–
(h) Expected employer contribution for the next year		5.70	9.52	2.67	2.90

15) Interest in Associate

Name of Company	Country of Incorporation	% of Voting power held as at March 31, 2011	% of Voting power held as at March 31, 2010
Shivalik Bimetal Engineers Pvt. Ltd. (w.e.f. January 1, 2011)	India	45%	–

16) Interests in Joint ventures

The Group's interests in Jointly Controlled Entities (Incorporated Joint ventures) are:

Particulars	Checon Shivalik Contact Solutions Pvt. Ltd.	Innovative Clad Solutions Pvt. Ltd.
Proportion of Ownership Interest	50%	33.33%
Products	Electrical Contacts	Industrial Clad Metals
Investment as on 31.03.2011	Rs. 118.96 Lacs	Rs. 1052.00 Lacs
Description of Interest	Jointly Controlled Entity	Jointly Controlled Entity
Joint Venture Partners	Checon Corporation, USA	i) Aperam Alloys Imphy, France (Formerly known as Arcelor Mittal Stainless & Nickel Alloys) ii) DNick Holdings Plc., UK
Country of Incorporation	India	India

	Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
	As At 31st March 2011 (Rs. in Lacs)	As At 31st March 2010 (Rs. in Lacs)	As At 31st March 2011 (Rs. in Lacs)	As At 31st March 2010 (Rs. in Lacs)
I ASSETS				
1 Fixed Assets(including Capital Work in Progress)	183.38	133.35	1529.17	1565.04
2 Investments	–	–	–	–
3 Current Assets, Loans & advances				
a) Inventories	244.38	74.64	191.01	58.05
b) Sundry Debtors	81.73	29.93	8.91	0.39
c) Cash and Bank Balance	18.94	29.54	32.19	190.70
d) Other current Assets	2.24	0.51	1.49	1.46
e) Loans & Advances	69.49	39.70	30.36	39.00
4 Miscellaneous Expenditure	–	–	8.70	11.59
5 Profit & Loss Account	–	–	509.68	61.38
II LIABILITIES				
1 Shareholders' Funds-Reserves & Surplus	291.38	215.30	1052.00	827.00
2 Secured Loan	16.46	24.82	973.01	914.80
3 Deferred Tax (Net)	10.40	7.89	47.41	–
4 Current Liabilities and Provisions				
a) Liabilities	253.27	46.96	237.87	184.96
b) Provisions	28.65	12.70	1.22	0.85

	Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
	For the year ended 31st March 2011	For the year ended 31st March 2010	For the year ended 31st March 2011	For the year ended 31st March 2010
III INCOME				
1 Sales (Net of Excise Duty/Custom duty)	573.67	253.76	37.73	2.32
2 Other Income	8.04	39.44	7.60	2.34
IV EXPENSES				
1 Operating Expenses	491.93	253.79	264.42	39.11
2 Depreciation	7.32	5.48	70.71	11.80
3 Interest	3.86	3.41	111.08	14.93
4 Profit Before Taxation	78.60	30.52	(400.88)	(61.18)
5 Provision for Taxation (including deferred taxation & fringe benefit tax)	2.52	5.24	47.41	0.20
6 Profit after Tax	76.08	25.28	(448.29)	(61.38)
V OTHER MATTERS				
1 Contingent Liabilities	1.50	1.00	41.78	39.64
2 Capital Commitments	30.15	0.85	1.16	2.70

The movement of the aggregate reserves of the joint venture is as under

	Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
	2010-11	2009-10	2010-11	2009-10
Opening Balance of Reserves	146.71	107.37	–	–
Add : Group share of Profits for the year	76.08	39.34	–	–
Closing Balance of Reserves	222.79	146.71	–	–

- 17) The corresponding figures of previous year have been regrouped/rearranged wherever found necessary, to conform to this year's presentation.



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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 1st Registered Holder : _____

Name of Joint Holder(s) : _____

Registered Address : _____

E-mail ID : _____

Date: _____ Signature of the first holder : _____

Important Notes:

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



ATTENDANCE SLIP

SHIVALIK BIMETAL CONTROLS LIMITED

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

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

Folio / Client ID No. :

Name and Address of the Shareholder

No. of Shares held: _____

I hereby record my presence at the **27th Annual General Meeting** of the Company held on Wednesday the 28th September, 2011 at Plot No. 16-18 New Electronics Complex, Chambaghat, Distt. Solan (H.P.) at 10.00 a.m.

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

Signature

Signature of Shareholder or Proxy*
*Strike out whichever is not applicable

TEAR HERE

PROXY FORM

SHIVALIK BIMETAL CONTROLS LIMITED

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

Folio / Client ID No. :

Name of Shareholder :.....

I/We.....

of.....being a member / members

of the Shivalik Bimetal Controls Limited hereby appoint.....

of

or failing him of

as my/our proxy to vote for me/us and on my/our behalf at the **27th Annual General Meeting** of the Company to be held on Wednesday the 28th September, 2011 at Plot No. 16-18 New Electronics Complex, Chambaghat, Distt. Solan (H.P.) at 10.00 a.m. or at any adjournment thereof.

Signed this.....day of.....2011

Affix a
Revenue
Stamp of
Rs. 1.00

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

