

30th
ANNUAL
REPORT
2013-14



SHIVALIK BIMETAL
CONTROLS LIMITED

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Important Communication to Members

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless Compliances by the Companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to provide / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members holding shares in physical form are requested to fill the Registration Form (refer page 68 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.



COMPANY INFORMATION

The Board of Directors	: Mr. S.S. Sandhu, Chairman Mr. N.S. Ghumman, Managing Director Mr. D.J.S. Sandhu, Dy. Managing Director Mr. Rohit Kapoor, Director Mr. G.S. Gill, Director Mr. N.J.S. Gill, Director Lt. Gen. Pradeep Khanna, Director Capt. Jitender Singh Mann, Director
Chief Financial Officer	: Mr. Mukesh Kumar Verma
Company Secretary	: Mr. Ram Pravesh
Registered Office	: 16-18, New Electronics Complex, Chambaghat, Distt. Solan-173213 Himachal Pradesh. Phone : +91-1792-230578, 230175, 231277 Fax : +91-1792-230475 Email : shivalik@shivalikbimetals.com Website: www.shivalikbimetals.com CIN: L27101HP1984PLC005862
Head Office	: H-2, Suneja Chambers, 2nd Floor, Alaknanda Commercial Complex, New Delhi-110019 Phone : +91-11-26027174, 26026362, 26028175 Fax : +91-11-26026776, 26020806 Email : investor@shivalikbimetals.com Website: www.shivalikbimetals.com
Statutory Auditors	: Malik S & Co., Chartered Accountants, 1/101, (L G F) Old Rajender Nagar, Sir Ganga Ram Hospital Marg, New Delhi- 110 060
Bankers	: Indian Bank 47-48, Pragati House, Nehru Place, New Delhi-110019
Registrar & Share Transfer Agent	: M/s MAS Services Ltd. T – 34, IInd Floor, Okhla Industrial Area, Phase – II, New Delhi-110020, Tel No.: (91) (11) 26387281, 266387282 Fax: (91) (11) 26387384 Email: info@masserv.com



NOTICE TO THE MEMBERS



NOTICE is hereby given that the 30th Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Thursday, the 25th day of September, 2014 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, 2014, Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gurmeet Singh Gill (DIN: 00007393), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Capt. Jitender Singh Mann (Retd.) (DIN: 06659626), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS :

5. To review & approve the remuneration of Mr. Satinderjeet Singh Sandhu (DIN: 00002312), Chairman & Whole Time Director of the company for a period of three years w.e.f. 01.04.2014 to 31.03.2017 and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of the section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the remuneration of Mr. Satinderjeet Singh Sandhu (DIN: 00002312), Chairman and Whole Time Director of the Company, and keep it within the limits as previously approved by Central Government i.e., total Salary of Rs. 84.00 Lacs per annum, which is also within the Limits as prescribed under Schedule V of the Companies Act, 2013, for a further period of 3 years i.e. from 01.04.2014 to 31.03.2017, as per following details:

(Rs. in Lacs)

Particulars	2014-15	2015-16	2016-17
Basic Salary	46.74	46.74	46.74
House Rent Allowance : 60% of Basic Salary	28.04	28.04	28.04
Perquisites as per rule of the Company	3.00	3.00	3.00
Remuneration	77.78	77.78	77.78

Contribution to EPF amounting to Rs. 5.61 Lacs does not form part of remuneration, as such not included in above.

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

6. To review & approve the remuneration of Mr. Narinder Singh Ghuman (DIN: 00002052), Managing Director of the company for a period of three years w.e.f. 01.04.2014 to 31.03.2017 and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of the section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the remuneration of Mr. Narinder Singh Ghumman (DIN: 00002052), Managing Director of the Company, and keep it within the limits as previously approved by Central Government i.e., total Salary of Rs. 84.00 Lacs per annum, which is also within the Limits as prescribed under Schedule V of the Companies Act, 2013, for a further period of 3 years i.e. from 01.04.2014 to 31.03.2017, as per following details:

(Rs. in Lacs)

Particulars	2014-15	2015-16	2016-17
Basic Salary	46.74	46.74	46.74
House Rent Allowance : 60% of Basic Salary	28.04	28.04	28.04
Perquisites as per rule of the Company	3.00	3.00	3.00
Remuneration	77.78	77.78	77.78

Contribution to EPF amounting to Rs. 5.61 Lacs does not form part of remuneration, as such not included in above.

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

7. **To review & approve the remuneration of Mr. Devinder Jeet Singh Sandhu (DIN: 00002039), Deputy Managing Director of the company for a period of three years w.e.f. 01.04.2014 to 31.03.2017 and in this regard to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT in accordance with the provisions of the section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the remuneration of Mr. Devinder Jeet Singh Sandhu (DIN: 00002039), Deputy Managing Director of the Company, and keep it within the limits as previously approved by Central Government i.e., total Salary of Rs. 84.00 Lacs per annum, which is also within the Limits as prescribed under Schedule V of the Companies Act, 2013, for a further period of 3 years i.e. from 01.04.2014 to 31.03.2017.

(Rs. in Lacs)

Particulars	2014-15	2015-16	2016-17
Basic Salary	39.60	39.60	39.60
House Rent Allowance : 60% of Basic Salary	23.76	23.76	23.76
Perquisites as per rule of the Company	3.00	3.00	3.00
Remuneration	66.36	66.36	66.36

Contribution to EPF amounting to Rs. 4.75 Lacs does not form part of remuneration, as such not included in above.

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

8. **Post-facto approval for the contract for the transactions entered with related party i.e. Innovative Clad Solutions Private Limited (ICS) pursuant to proviso to Sub-Section (1) of Section 297 of the Companies Act, 1956 and to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT post facto approval of the company be and is hereby accorded to the Contract/ transactions entered with Innovative Clad Solutions Private Limited (ICS), an associate company within the limits and in accordance with the terms and conditions as mentioned in the Regional Director, Ministry of Corporate Affairs, NOIDA letter no. 4/394/T-3/2013/P/7549 dated 31st October, 2013, the details of which are as under:-

Particulars of Contract	Period of Contract	Value not exceeding (Amount in Rupees)
Providing of Job work to Contractee Company (ICS)	29.07.2013 to 31.03.2014	Rs. 10.00 Lacs
Packing material to be sold to the Contractee Company (ICS)	29.07.2013 to 31.03.2014	Rs. 0.50 Lacs
Material to be purchased from the Contractee Company (ICS)	29.07.2013 to 31.03.2014	Rs. 150.00 Lacs
Material to be sold to the Contractee Company (ICS)	29.07.2013 to 31.03.2014	Rs. 200.00 Lacs

RESOLVED FURTHER THAT post facto approval of the Company be and is hereby granted to the aforesaid contract/ transactions subject to the following terms and conditions:-

- The referred contract shall be competitive, at an arm's length without conflict of interest and is not less advantageous to it as compared to similar contract with other parties and the company has not made any default u/s 297 in the past and there was no default in repayment of any of its debts (including Public Deposits) or debentures or interest payable thereon and filed its up to date Balance Sheet and Annual returns with the Registrar of Companies.
- The referred contract was falling within the provisions of section 297 of the Act and provisions of section 198, 269, 309, 314 and 295 were not applicable in the proposed contract.
- Company and its directors have complied with the provisions of Section 173, 287, 299, 300 & 301 and other applicable provisions of the companies Act, 1956 with regard to the proposed contract.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient for the aforesaid purpose."

9. Post-facto approval for the contract for the transactions entered with related party i.e. Checon Shivalik Contact Solutions Private Limited (CSCS) pursuant to proviso to Sub-Section (1) of Section 297 of the Companies Act, 1956 and to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT post facto approval of the company be and is hereby accorded to the Contract/ transactions entered with Checon Shivalik Contact Solutions Private Limited (CSCS), a Joint Venture company within the limits and in accordance with the terms and conditions as mentioned in the Regional Director, Ministry of Corporate Affairs, Noida letter no. 4/393/T-3/2013/P/6955 dated 9th October, 2013, the details of which are as under:-

Particulars of Contract	Period of Contract	Value not exceeding (Amount in Rupees)
To enter into contract for purchase & sale of tools, dies, metals/ metal strips and its allied products and also avail job work from/ to M/s Checon Shivalik Contact Solutions Private Limited (Contractee Company)	01/08/2013 to 31/07/2014	Rs. 40.00 Lacs

RESOLVED FURTHER THAT post facto approval of the Company be and is hereby granted to the aforesaid contract/ transactions subject to the following terms and conditions:-

- The referred contract shall be competitive, at an arm's length without conflict of interest and is not less advantageous to it as compared to similar contract with other parties and the company has not made any default u/s 297 in the past and there was no default in repayment of any of its debts (including Public Deposits) or debentures or interest payable thereon and filed its up to date Balance Sheet and Annual returns with the Registrar of Companies.
- The referred contract was falling within the provisions of section 297 of the Act and provisions of section 198, 269, 309, 314 and 295 were not applicable in the proposed contract.
- Company and its directors have complied with the provisions of Section 173, 287, 299, 300 & 301 and other applicable provisions of the companies Act, 1956 with regard to the proposed contract.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient for the aforesaid purpose."



10. Post-facto approval for the contract for the transactions entered with related party i.e. Shivalik Bimetal Engineers Private Limited (SBEPL) pursuant to proviso to Sub-Section (1) of Section 297 of the Companies Act, 1956 and to consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT post facto approval of the company be and is hereby accorded to the Contract/ transactions entered with Shivalik Bimetal Engineers Private Limited (SBEPL), an associate company within the limits and in accordance with the terms and conditions as mentioned in the Regional Director, Ministry of Corporate Affairs, Noida letter no. 4/395/T-3/2013/P/6956 dated 9th October, 2013, the details of which are as under:-

Particulars of Contract	Period of Contract	Value not exceeding (Amount in Rupees)
To enter into contract for purchase of Tools, Dies and also avail related job work from M/s Shivalik Bimetal Engineers Private Limited (Contractee Company)	01/08/2013 to 31/07/2014	Rs. 65.00 Lacs

RESOLVED FURTHER THAT post facto approval of the Company be and is hereby granted to the aforesaid contract/ transactions subject to the following terms and conditions:-

- The referred contract shall be competitive, at an arm's length without conflict of interest and is not less advantageous to it as compared to similar contract with other parties and the company has not made any default u/s 297 in the past and there was no default in repayment of any of its debts (including Public Deposits) or debentures or interest payable thereon and filed its up to date Balance Sheet and Annual returns with the Registrar of Companies.
- The referred contract was falling within the provisions of section 297 of the Act and provisions of section 198, 269, 309, 314 and 295 were not applicable in the proposed contract.
- Company and its directors have complied with the provisions of Section 173, 287, 299, 300 & 301 and other applicable provisions of the companies Act, 1956 with regard to the proposed contract.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient for the aforesaid purpose.”

Place : New Delhi
Date : August 19, 2014

By order of the Board
For SHIVALIK BIMETAL CONTROLS LIMITED

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

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

NOTES:

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

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

- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their



behalf at the Meeting.

3. Disclosures pursuant to Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment at forthcoming Annual General Meeting are given in Annexure.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 18.09.2014 to 20.09.2014 (both days inclusive) for the purpose of Annual General Meeting.
5. The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 (corresponding to 173(2) of the Companies Act, 1956), in respect of the special business under item No. 5 to 10 are annexed hereto.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
7. Members holding shares in physical form are advised to send all the requests regarding share transfer and correspondence in relation to share matters to the Company's Registrar and Share Transfer Agent (RTA) at the following address:

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

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

8. Members desirous of obtaining any information relating to accounts and operations of the Company may address their queries / questions to the Company's Head Office, so as to reach at least five days before the date of the meeting so that the information may be made available at the meeting to the best extent possible.
9. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
10. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Pursuant to Section 205A and 205C of the Act, all unclaimed/unpaid dividend for the years prior to and including for the financial year 2005-06 (Final) and financial year 2006-07 (Ist & IInd Interim) have been transferred to the Investor Education and Protection Fund established by the Central Government (IEPF), as applicable.

In case the Dividend has remained unclaimed for any of the financial year from 2006-2007 (Final Dividend), the Shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend.
12. The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless Compliances by the Companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to provide / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants or send an e-mail at info@masserv.com or investor@shivalikbimetals.com to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to intimate their e-mail address to MAS Services Limited either by e-mail at info@masserv.com or investor@shivalikbimetals.com or by sending a communication at the Registered Office or Head Office of the Company or at the address mentioned below:

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

13. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

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

- (i) Log on to the e-voting website www.evotingindia.com.
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME-**SHIVALIK BIMETAL CONTROLS LIMITED**” from the drop down menu and click on “SUBMIT”.
- (iv) Now, enter your User ID. The user ID will be provided in the communication being sent separately.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department, as mentioned in the communication being sent separately.
DOB*	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details*	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

* Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.
- (x) Click on the EVSN for **SHIVALIK BIMETAL CONTROLS LIMITED** to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

General Instructions:

- (A) The e-voting period commences on 18th September, 2014 (9.00 a.m.) and ends on 20th September, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 25th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (C) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 25th August, 2014.
- (D) Mr. Purshotam Lal Arora, Practicing Chartered Accountant (Membership No. 081294), Proprietor of M/s P L Arora & Co., Chartered Accountants, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (E) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shivalikbimetals.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 5

The term of appointment of Mr. S. S. Sandhu as Chairman and the Whole-time Director was valid up to 31st of July, 2013. Mr. S. S. Sandhu was re-appointed as Chairman and Whole-time Director of the Company w.e.f. 1st August, 2013, for a further period of five years.

The remuneration, perquisites and other terms and conditions payable to Mr. S. S. Sandhu were approved by the shareholders at their 27th Annual General Meeting held on 28th September, 2011.

Further, the Central Government vide letter No. B24043804/1/2011-CL.VII dated 1st May, 2012 sanctioned and approved the remuneration of Rs. 84.00 Lakhs for the year 2012-13 & the same for the year 2013-14, payable to Mr. S. S. Sandhu, as already approved by the Shareholders.

The Approval of the Central Government w.r.t. remuneration of Mr. S. S. Sandhu, Chairman & Whole Time Director of the Company, was valid upto 31.03.2014.

Considering the challenges faced by the Company in view of disappearance of CPT parts business coupled with global recession resulting into constraints on the profitability and the funds requirements for ongoing expansion program of the Company, Mr. S. S. Sandhu, as a matter of prudent business strategy aligned with Company's growth, offered to accept the same remuneration as the existing amount for a period of 3 years i.e. from 01.04.2014 to 31.03.2017.

The Board considered the recommendation of the Remuneration Committee in regard to the remuneration payable to Mr. S. S. Sandhu, in its meeting held on 28th May, 2014 read together with the resolution passed by the Board in its meeting held on 6th February, 2014 And approved the remuneration payable to Mr. S. S. Sandhu for a period of 3 years i.e. from 01.04.2014 to 31.03.2017 to be the same as the existing remuneration, in line with the spirit exhibited by Mr. S. S. Sandhu. While approving the remuneration payable to Mr. S. S. Sandhu the Board extended its sincere thanks to Mr. S. S. Sandhu for according his consent in accepting the existing remuneration.

Accordingly, pursuant to provisions section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board decided to keep the remuneration within the limits as previously approved by Central Government, for a further period of 3 years i.e. from 01.04.2014 to 31.03.2017, which is also within the Limits as prescribed under Schedule V of the Companies Act, 2013. This is to inform that as Company's effective Capital is more than 5.00 Crores, therefore, Company may provide remuneration to Mr. S.S. Sandhu upto 84.00 Lacs P.A. with the approval of members by way of Special Resolution.

The details of remuneration as approved by the Board in its Board Meeting dated 28th May, 2014 and subject to approval of members is as under:-

(Rs. in Lacs)

Particulars	2014-15	2015-16	2016-17
Basic Salary	46.74	46.74	46.74
House Rent Allowance : 60% of Basic Salary	28.04	28.04	28.04
Perquisites as per rule of the Company	3.00	3.00	3.00
Remuneration	77.78	77.78	77.78

Contribution to EPF amounting to Rs. 5.61 Lacs does not form part of remuneration, as such not included in above.

Brief resume of Mr. S. S. Sandhu is given in the annexure attached hereto.

The Board recommends the resolution to be passed by the Shareholders as a Special resolution pursuant to the requirements of the Companies Act, 2013.

None of the Directors, except Mr. S. S. Sandhu, Mr. D. J. S. Sandhu and Mr. N. S. Ghumman are concerned or interested in the proposed resolution.

ITEM NO. 6

Mr. N. S. Ghumman was re-appointed as Managing Director of the Company w.e.f. 1st April, 2011, for a period of five years.

Central Government Vide its letter No. B24038796/1/2011- CL.VII dated 1st May, 2012 sanctioned and approved the remuneration of Rs. 84.00 Lakhs for the year 2012-13 & the same for the year 2013-14, payable to Mr. N S Ghumman, as already approved by the shareholders.

The Approval of the Central Government w.r.t. remuneration of Mr. N. S. Ghumman, Managing Director of the Company, was valid upto 31.03.2014.

Considering the challenges faced by the Company in view of disappearance of CPT parts business coupled with global recession resulting into constraints on the profitability and the funds requirements for ongoing expansion program of the Company, Mr. N. S. Ghumman, as a matter of prudent business strategy aligned with Company's growth, offered to accept the same remuneration as the existing amount for a period of 3 years i.e. from 01.04.2014 to 31.03.2017.

The Board considered the recommendation of the Remuneration Committee in regard to the remuneration payable to Mr. N. S. Ghumman in its meeting held on 28th May, 2014 read together with the resolution passed by the Board in its meeting held on 6th February, 2014 and approved the remuneration payable to Mr. N. S. Ghumman for a period of 3 years i.e. from 01.04.2014 to 31.03.2017, to be the same as the existing remuneration, in line with the spirit exhibited by Mr. N. S. Ghumman. While approving the remuneration payable to Mr. N. S. Ghumman the Board extended its sincere thanks to Mr. N. S. Ghumman for according his consent in accepting the existing remuneration.

Accordingly, pursuant to provisions of section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board decided to keep the remuneration within the limits as previously approved by Central Government (Vide its letter No. B24038796/1/2011- CL.VII dated 1st May, 2012 for a period from 01.04.2012 to 31.03.2014) i.e., total Salary of 84.00 Lacs per annum, for a period of 3 years i.e. from 01.04.2014 to 31.03.2017, which is also within the Limits as prescribed under Schedule V of the Companies Act, 2013. This is to inform that as Company's effective Capital is more than 5.00 Crores, therefore, Company may provide remuneration to Mr. N.S. Ghumman upto 84.00 Lacs P.A. with the approval of members by way of Special Resolution.

The details of remuneration as approved by the Board in its Board Meeting dated 28th May, 2014 and subject to approval of members is as under:-

(Rs. in Lacs)

Particulars	2014-15	2015-16	2016-17
Basic Salary	46.74	46.74	46.74
House Rent Allowance : 60% of Basic Salary	28.04	28.04	28.04
Perquisites as per rule of the Company	3.00	3.00	3.00
Remuneration	77.78	77.78	77.78

Contribution to EPF amounting to Rs. 5.61 Lacs does not form part of remuneration, as such not included in above.

Brief resume of Mr. N. S. Ghumman is given in the annexure attached hereto.

The Board recommends the resolution to be passed by the Shareholders as a Special resolution pursuant to the requirements of the Companies Act, 2013.

None of the Directors, except Mr. S. S. Sandhu, Mr. D. J. S. Sandhu and Mr. N. S. Ghumman are concerned or interested in the proposed resolution.

ITEM NO. 7

Mr. D. J. S. Sandhu was re-appointed as Deputy Managing Director of the Company w.e.f. 1st April, 2011, for a period of five years.

Central Government Vide its letter No. B24042707/1/2011- CL.VII dated 1st May, 2012 sanctioned and approved the remuneration of Rs. 84.00 Lakhs for the year 2012-13 & the same for the year 2013-14, payable to Mr. D J S Sandhu, as already approved by the shareholders.

The Approval of the Central Government w.r.t. remuneration of Mr. D. J. S. Sandhu, Deputy Managing Director of the Company, was valid upto 31.03.2014.

The Board considered the recommendation of the Remuneration Committee in regard to the remuneration payable to Mr. D J S Sandhu in its meeting held on 28th May, 2014 read together with the resolution passed by the Board in its meeting held on 6th February, 2014 And approved the remuneration payable to Mr. D J S Sandhu for a period of 3 years i.e. from 01.04.2014 to 31.03.2017, to be the same as the existing remuneration, in line with the spirit exhibited by Mr. D. J. S. Sandhu. While approving the remuneration payable to Mr. D. J. S. Sandhu the Board extended its sincere thanks to Mr. D. J. S. Sandhu for according his consent in accepting the existing remuneration.

Accordingly, pursuant to provisions section 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board decided to keep the remuneration within the limits as previously approved by Central Government (Vide its letter No. B24042707/1/2011- CL.VII dated 1st May, 2012 for a period from 01.04.2013 to 31.03.2014) i.e., total Salary of 84.00 Lacs per annum, for a period of 3 years i.e. from 01.04.2014 to 31.03.2017, which is also within the Limits as prescribed under Schedule V of the Companies Act, 2013. This is to inform that as Company's effective Capital is more than 5.00 Crores, therefore, Company may provide remuneration to Mr. D. J. S. Sandhu upto 84.00 Lacs P.A. with the approval of members by way of Special Resolution.

The details of remuneration as approved by the Board in its Board Meeting dated 28th May, 2014 and subject to approval of members is as under:-

(Rs. in Lacs)

Particulars	2014-15	2015-16	2016-17
Basic Salary	39.60	39.60	39.60
House Rent Allowance : 60% of Basic Salary	23.76	23.76	23.76
Perquisites as per rule of the Company	3.00	3.00	3.00
Remuneration	66.36	66.36	66.36

Contribution to EPF amounting to Rs. 4.75 Lacs does not form part of remuneration, as such not included in above.

Brief resume of Mr. D. J. S. Sandhu is given in the annexure attached hereto.

The Board recommends the resolution to be passed by the Shareholders as a Special resolution pursuant to the requirements of the Companies Act, 2013.

None of the Directors, except Mr. S. S. Sandhu, Mr. D. J. S. Sandhu and Mr. N. S. Ghumman are concerned or interested in the proposed resolution.

ITEM NO. 8

Pursuant to proviso to Sub-Section (1) of Section 297 of the Companies Act, 1956 your Company has obtained an approval of Regional Director (RD), Ministry of Corporate Affairs, Noida for entering into contract/ transactions with Innovative Clad Solutions Private Limited (ICS), an associate company. The Regional Director granted its approval subject to the conditions that Company shall entered in to contract/ transactions (within the prescribed limits) subject to the post facto approval of the shareholders in the next General Meeting of the shareholders with respect to that,

- (a) The contract/ transactions with ICS shall be competitive, at an arm's length without conflict of interest and is not less advantageous to it as compared to similar contract with other parties and the company has not made any default u/s 297 in the past and there was no default in repayment of any of its debts (including Public Deposits) or debentures or interest payable thereon and filed its up to date Balance Sheet and Annual returns with the Registrar of Companies.
- (b) The referred contract was falling within the provisions of section 297 of the Act and provisions of section 198, 269, 309, 314 and 295 were not applicable in the proposed contract.
- (c) Company and its directors have complied with the provisions of Section 173, 287, 299, 300 & 301 and other applicable provisions of the companies Act, 1956 with regard to the proposed contract.

The Directors of your Company hereby confirm that the referred contract/ transactions with ICS, has been entered into on the basis of above-said terms and conditions and also within the limits sanctioned by the Regional Director, Ministry of Corporate Affairs, Noida.

The Board recommends the resolution to be passed by the Shareholders as an Ordinary resolution.

None of the Directors, except Mr. S. S. Sandhu, Mr. N. S. Ghuman are concerned or interested in the proposed resolution because they are nominee director of your company in ICS.

ITEM NO. 9

Pursuant to proviso to Sub-Section (1) of Section 297 of the Companies Act, 1956 your Company has obtained an approval of Regional Director (RD), Ministry of Corporate Affairs, Noida for entering into contract/ transactions with Checon Shivalik Contact Solutions Private Limited (CSCS), a Joint Venture company. The Regional Director granted its approval subject to the conditions that Company shall entered in to contract/ transactions (within the prescribed limits) subject to the post facto approval of the shareholders in the next General Meeting of the shareholders with respect to that,

- (a) The contract/ transactions with CSCS shall be competitive, at an arm's length without conflict of interest and is not less advantageous to it as compared to similar contract with other parties and the company has not made any default u/s 297 in the past and there was no default in repayment of any of its debts (including Public Deposits) or debentures or interest payable thereon and filed its up to date Balance Sheet and Annual returns with the Registrar of Companies.
- (b) The referred contract was falling within the provisions of section 297 of the Act and provisions of section 198, 269, 309, 314 and 295 were not applicable in the proposed contract.
- (c) Company and its directors have complied with the provisions of Section 173, 287, 299, 300 & 301 and other applicable provisions of the companies Act, 1956 with regard to the proposed contract.

The Directors of your Company hereby confirm that the referred contract/ transactions with CSCS, has been entered into on the basis of above-said terms and conditions and also within the limits sanctioned by the Regional Director, Ministry of Corporate Affairs, Noida.

The Board recommends the resolution to be passed by the Shareholders as an Ordinary resolution.

None of the Directors, except Mr. S. S. Sandhu, Mr. D. J. S. Sandhu and Mr. N. S. Ghuman are concerned or interested in the proposed resolution because they are nominee director of your company in CSCS.



ITEM NO. 10

Pursuant to proviso to Sub-Section (1) of Section 297 of the Companies Act, 1956 your Company has obtained an approval of Regional Director (RD), Ministry of Corporate Affairs, Noida for entering into contract/ transactions with Shivalik Bimetal Engineers Private Limited (SBEPL), an associate company. The Regional Director granted its approval subject to the conditions that Company shall entered in to contract/ transactions (within the prescribed limits) subject to the post facto approval of the shareholders in the next General Meeting of the shareholders with respect to that,

- (a) The contract/ transactions with SBEPL shall be competitive, at an arm's length without conflict of interest and is not less advantageous to it as compared to similar contract with other parties and the company has not made any default u/s 297 in the past and there was no default in repayment of any of its debts (including Public Deposits) or debentures or interest payable thereon and filed its up to date Balance Sheet and Annual returns with the Registrar of Companies.
- (b) The referred contract was falling within the provisions of section 297 of the Act and provisions of section 198, 269, 309, 314 and 295 were not applicable in the proposed contract.
- (c) Company and its directors have complied with the provisions of Section 173, 287, 299, 300 & 301 and other applicable provisions of the companies Act, 1956 with regard to the proposed contract.

The Directors of your Company hereby confirm that the referred contract/ transactions with SBEPL, has been entered into on the basis of above-said terms and conditions and also within the limits sanctioned by the Regional Director, Ministry of Corporate Affairs, Noida.

The Board recommends the resolution to be passed by the Shareholders as an Ordinary resolution.

None of the Director, except Mr. D. J. S. Sandhu is concerned or interested in the proposed resolution because he is also a Director in SBEPL.

Mr. Mukesh Kumar Verma, CFO & KMP is concerned or interested in the proposed resolution because he is also a Director in SBEPL.

Place : New Delhi
Date : August 19, 2014

By order of the Board
For SHIVALIK BIMETAL CONTROLS LIMITED

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

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

DISCLOSURE PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT WITH REGARD TO THE DIRECTORS SEEKING RE-APPOINTMENT AND APPROVAL FOR MANAGERIAL REMUNERATION AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Refer Item Nos. 2,3,5,6 & 7 of notice)

Name of Director	Brief resume and nature of expertise in functional areas	List of Directorships / Committees memberships as on 31st March, 2014 in other Companies
Mr. Gurmeet Singh Gill	Mr. Gurmeet Singh Gill is qualified MBA having vast business experience in various Commercial Areas. He is on the Board of the Company since the year 1998 as Non-executive and Independent Director of the Company. Since he has been in business for the last 38 years and accordingly well aware of intricacies of carrying on business, as such provide useful guidance to the Company on critical issues.	1
Capt. Jitender Singh Mann (Retd.)	Capt. Jitender Singh Mann (Retd.)retired as Captain from the Indian army; Presently, he is the Managing Director of Delhi Public School, Sonapat (Haryana), since the year 2005 and has the dealership of Bajaj Auto Ltd., Narela since the year 1996.He is a business man, social worker, educationist and generational farmer; working in the local area for the immediate betterment of the people, and infrastructure, through awareness and direct engagement with the local populace.	NIL
Mr. S. S. Sandhu	Mr. S. S. Sandhu is one of the Promoter Directors of the Company and is the Whole-time Director and Executive Chairman of the Company. He has over 43 years of experience in varied spheres of Entrepreneurship functions including Finance, Banking, legal, commercial (domestic as also the international), administrative and Corporate financial management functions of the Company as well as looking after the Company's interests in JV's/Associates. His well-defined path-oriented initiatives with long term vision , leadership and strategic decision-makings have contributed immensely to the overall growth of the Company, during this period.	9



Mr. Narinder Singh Ghumman	<p>Mr. N. S. Ghumman is one of the promoter Directors of the Company and holds the position of Managing Director in the Company. He is a highly qualified and a widely experienced technocrat having experience of over 42 years in the field of engineering, manufacturing operations, Research & Development/ Product Development activities etc.,</p> <p>During this period, under his stewardship the Company has undertaken many challenging initiatives, implemented critical expansion programs and has enhanced manufacturing capabilities and capacities with the result that the Company's products find more and more acceptability, world over.</p>	6
Mr. Devinder Jeet Singh Sandhu	<p>Mr. D. J. S. Sandhu has more than 37 years of Sales & Marketing experience to his credit. He joined the Company in the year 1993 and was elevated to the Board of the Company in April, 1996, and at present is the Deputy Managing Director of the Company with domains of Sales & Marketing under him.</p> <p>Various strategic policies and actions initiated by him with his vast experience and understanding of the business / market / products of the Company, have enabled the Company to meet the challenges of the prevailing competitive market conditions in the industry, successfully.</p>	5

Dear Members,

We are delighted to present the 30th Annual Report of the company, along with Audited Accounts for the financial year ended 31st March, 2014.

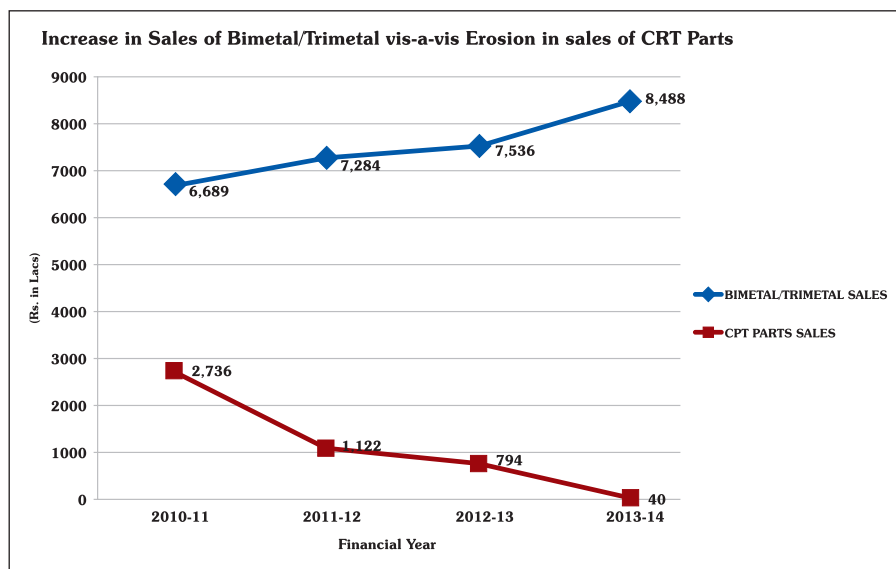
FINANCIAL RESULTS:

	YEAR 2013-14 (₹ in Lacs)	YEAR 2012-13 (₹ in Lacs)
Sales & Other income	8648.79	8405.74
Exceptional (Expense)/Income (Net of Expenses)	(58.91)	50.54
Profit before Finance Cost, Depreciation and Tax	945.98	778.48
Finance Costs	297.60	360.95
Depreciation	234.98	233.85
Profit before Tax	413.40	183.68
Less: Tax Expenses	60.48	65.05
Profit for the Year	352.92	118.63
Balance brought forward from Previous Year	2718.86	2600.23
Profit available for Appropriation	3071.78	2718.86
Appropriations:		
General Reserve	100.00	-
Balance carried to Balance Sheet	2971.78	2718.86

COMPANY'S PERFORMANCE IN FY 2013-14

Your Company has achieved Sales and other income of ₹8648.79 Lacs during the FY 2013-14 as compared to ₹8405.74 Lacs in aggregate during the FY 2012-13, thus registering an increase of 2.89% over the previous year.

Due to change in technology world over, from Cathode Ray Tube (CRT) to Plasma/LED in the TV Market, there has occurred a complete erosion in the sales of CRT parts during the recent years. The GRAPH here below exhibits that CRT parts' sales constituted almost 29.03% of total revenue of the Company in the year 2010-11 as against the same constituting only 0.5% of the total sales during the current year i.e., 2013-14.





It would be significant to note that the Company has achieved the increased volume of turnover even after the almost complete erosion in the sales of CRT parts. A stiff challenge faced by the Company has been turned into a spread of opportunities. The Company has been making good progress in the strategic initiatives to drive its growth in the core business activity i.e. Bimetal/Trimetal manufacturing.

DIVIDEND AND TRANSFER TO RESERVE

Keeping in view the aggressive growth strategy of the company, the Board of Directors of your company have decided to plough back the profits and thus, not recommended any dividend for the financial year under review.

The Company proposes to transfer ₹100.00 Lacs in the General Reserve out of the amount available for appropriations and an amount of ₹2971.78 Lacs is proposed to be retained in the Profit & Loss Account.

EXPORTS

Your Directors are happy to report that the Company's Exports have increased from ₹3,132.40 Lakhs during 2012-13 to ₹3,319 lakhs during the year, 2013-14, accounting for an increase in Exports by 5.96% over the previous year. This increase, though small, acquires the status of a noticeable mark especially when the world market continues to be under the shadow of recession.

Your Directors are happy to place on record that now your company is a recognized Star Export House and are hopeful that the company shall continue to increase its share in overseas market in the coming years.

EXPANSION

With the disappearance of CRT Parts' business, UNIT II stands disbanded. Your Directors took initiative to utilize the space vacated by removal of UNIT II Machinery by endeavoring to relocate the setting up of Unit IV of the Company, therein.

Accordingly, UNIT IV is being set up within the existing factory premises (after carrying out necessary modifications/alterations) located at 16-18, New Electronics Complex, Chambaghat, Distt. Solan, HP. The necessary permissions, approvals and registrations have been obtained in this regard. Now, the Unit IV expansion program is slated to be completed by end September 2014 by which date it would be fully functional.

RIGHTS ISSUE

With the reduction in the estimates of aggregate CAPEX, for setting up Unit IV, resulting from utilization of existing factory premises of the Company for the said purpose, the need for corresponding resource mobilization also got reduced. Accordingly it was decided not to go ahead with the stated Rights Issue.

JOINT VENTURE & ASSOCIATES

There has been no material change in the nature of the business of the Companies wherein your Company has a Joint Venture and/or is associated with.

The Investment of your Company in Checon Shivalik Contact Solutions Private Limited (CSCS) as on 31.03.14 stands at ₹198.95 Lacs (previous year ₹118.95 Lacs). The company has further infused a sum of ₹22.50 lacs as equity during current financial year, after the balance sheet date. CSCS has enhanced its capability and capacity by using the latest technological processes to manufacture wide range of electrical contacts for varied application by its customers.

The Investment of your Company in Innovative Clad Solutions Private Ltd. (ICS) as on 31.03.2014 continues to be ₹1512.00 Lacs (previous year ₹1512.00 Lacs). After having achieved stabilization of manufacturing operations & processes, ICS has readied itself, more than ever before for enhanced business activities with wide range of products and the market, both domestic and the overseas with 100% Leadership from the Partner- in-charge, namely Aperam Alloys Imphy, France.

The operations of Shivalik Bimetal Engineers Pvt. Ltd. (SBEPL), which is engaged in the business of manufacturing Dies and Tools, are fully operational. The Investment of your Company in SBEPL as on 31.03.2014, stands at ₹22.28 Lacs (previous year ₹22.28 Lacs).



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.

“NIRBHAYA”

In accordance with provisions as contained in “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” to provide for the effective enforcement of the basic human right of gender equality and guarantee against sexual harassment and abuse, more particularly against sexual harassment at work places, your Company has in place a “Nirbhaya ” Policy , duly approved by the Board of Directors.

An Internal Complaints Committee has been constituted in accordance with the above policy, which provides a forum to all female personnel to lodge complaints (if any) therewith for redressal. During the year, no complaint was lodged with the Internal Complaints Committee formed under “Nirbhaya”.

VOLUNTARY RETIREMENT SCHEME (VRS):

The company had announced Voluntary Retirement Scheme (VRS) for its workers & staff in view of disbanding of its UNIT II due to disappearance of CRT Parts’ business and in response to the said scheme, total twelve number of employees opted.

DIRECTORS

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

CORPORATE GOVERNANCE

Your Company is committed to adopting and adhering to the best corporate Governance practices recognized globally and adhere to corporate governance requirements set out by SEBI.

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

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

DIRECTORS’ RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the financial year 2013-14, 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, 2014 and of the Profit of the Company for the year ended 31st March, 2014;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going-concern basis.

AUDITORS

The Statutory Auditors, M/s Malik S & Co., Chartered Accountants (Registration No. 00383N), New Delhi, hold office till



the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The certificate from the Auditors have been received to the effect that their re-appointment, if made, would be within the prescribed limit under section 141(3)(g) of the Companies Act, 2013.

COST COMPLIANCE CERTIFICATE

Pursuant to Ministry of Corporate Affairs (MCA) Notification No. dated 3rd June, 2011 (File No. 52/101/CAB-2010), the Company has been covered under the Companies (Cost Accounting Records) Rules, 2011, for the financial year commencing from 01/04/2011. Mr. Ramawatar Sunar, Cost Accountant was appointed to furnish Cost Compliance Report of the Company for Financial Year 2013-14. The Cost Accountant, so appointed has certified the Cost Compliance Report of the Company.

ISO 9001:2008, ISO 18001:2007 AND ISO 14001:2004 CERTIFICATIONS:

Shivalik Bimetal Controls Ltd is an ISO 9001, 14001 & 18001 Company.

ISO 9001 is to certify that the Quality Management System of the Company has been assessed and registered as complying with the requirements of the International Standards for Manufacturing and Supply of Strips and Components of Thermostatic Bimetals and Other Alloys.

ISO 14001 is intended to provide the elements of an Environmental Management System (EMS) for achieving environmental and economic goals. The overall aim of ISO 14001 is to ensure environmental protection and prevention of pollution – in balance with socio-economic needs.

ISO 18001- Occupational Health and Safety Assessment Series (OHSAS) specification gives requirements for an occupational health and safety (OH&S) management system, to enable an organization to control its OH&S risks and improve its performance.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) 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, the names and other particulars of the employees whose remuneration exceeds ₹5.00 lacs per month (₹60.00 Lacs per annum) during the financial year ended 31st March, 2014 are set out in the annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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

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

REQUEST TO THE MEMBERS :

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

- Inform the Company / our registrar / Depository Participants, if not already done earlier, for updating details of your Permanent Account Number (PAN). The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar.



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

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

ACKNOWLEDGEMENTS

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

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

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

Place : New Delhi
Date : August 12, 2014

By order of the Board
For SHIVALIK BIMETAL CONTROLS LIMITED

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

Sd/-
(S. S. SANDHU)
CHAIRMAN



ANNEXURE TO THE DIRECTORS' REPORT

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

A. Conservation of Energy

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

Energy conservation measures taken:

Energy conservation during the financial year 2013-14 has accrued as a result of the following steps taken at the factory premises of the Company:

- 1) Installation of data recording unit for all annealing lines has been completed successfully. This helps to monitor the optimum running conditions on a continuous basis, based on which processing wastages are targeted specifically and power consumption is reduced.
- 2) A new Nitrogen generator has replaced the existing Ammonia Cracker. An offline buffer tank allows us to operate the N₂ plant on an as-needed basis, thereby reducing power consumption. Also, the consumption of ammonia has been drastically reduced.
- 3) Additional Roof Extractors (self-propelled) have been installed on roofs to remove the exhaust Gases / Fumes.
- 4) Edge-deburring lines have been modified. Abrasion belts have been replaced by edge correcting rolls. This eliminates the need of driven abrasion belts, thereby reducing power consumption.
- 5) Operators / Engineers are made aware about the advantages of consuming less Electricity by providing them Awareness Training from External bodies.

B. Technology Absorption

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

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

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

RECOGNISED IN/HOUSE R&D UNIT

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

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

Research & Development (R&D)

- i) New products developed through innovative approaches and Specific area in which R&D carried out by the Company:
 - a) Using our In-house R&D facility we are developing a new type of Bimetal, where the Thermostatic Bimetal will be EB welded with Mild steel which will reduces cost and will improve the functionality for switchgear application.
 - b) EB Welded Bimetals for Solar Applications, thereby promoting use of Solar Energy to generate power.
 - c) EB Welded Resistors for BMS in automotive applications, thereby improving fuel efficiency and reduction of Carbon Emission from vehicles.
 - d) Developing Thermostatic Bimetal in gas meter measuring distribution of gas in households in the USA.
 - e) New high precision equipment and inspection lines have been installed to cater to the demands of precision bimetal applications.
- 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	₹18.06 Lacs
b. Capital	₹ Nil
Total	₹18.06 Lacs
c. Total R&D expenditure as a percentage of total turnover:	0.21 %

Technology absorption, adaptation and innovation

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

Company is able to use the available technology for the new product development / product diversification.
- ii) Benefits derived as a result of the above R&D

Products developed have found acceptance in domestic and international Markets. Commercialization of these products has started.
- iii) In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

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

C. Foreign Exchange Earning and Outgo:

Earnings in Foreign exchange	₹ 3248.16 Lacs
Expenditure in Foreign currency	₹ 3835.05 Lacs
Expenditure in Foreign currency on Capex	₹ 13.86 Lacs



MANAGEMENT DISCUSSION AND ANALYSIS



ANNEXURE “A”

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

1. Economy and Industry Overview

India's economic growth has slowed markedly over the last two years due to structural and cyclical factors. Risks to growth have heightened owing to uncertain global developments. Supply bottlenecks, particularly in the food and infrastructure sectors and wage increase. Large and persistent fiscal deficit remains one of India's biggest macroeconomic challenges.

We believe that India has the potential to get back on a high growth trajectory. Growth is expected to gather pace by FY14-15 and accelerate thereafter with stability in the political system .

2. Opportunities & Threats

Your Company does face a risk of loss due to fluctuations in the foreign currency market. Because of high volatility and lot of uncertainties in foreign currency market, your Company's policy is to mitigate the risk of foreign exchange fluctuation through the mechanism of natural hedging.

Your Company has prepared a strategy to face challenges by achieving an enviable reputation for quality and consistency. The Company is taking number of initiatives in the current year also 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.

Despite the changing and volatile economic environment, the global market offers substantial opportunities and Shivalik is fully geared to navigate through the changing technology demands and customer expectations.

3. Future Outlook

Your Directors are optimistic about the industry's future. Company is continuously taking various steps to face the challenging environment, which are as under:

- Upgradation of Technology to meet future requirements;
- Enhancement of Industry Competitiveness;
- Conversion of Latent Demand into Actual Demand;
- Skill Development;
- Cost reductions and optimal utilization of available resources of the company;
- Formulation and effective implementation of foreign exchange management;
- In-house R & D facility for the purpose of product improvement & Development, product diversification, to explore new avenues for its product applications and new product development using same technology;
- To explore Domestic/ export opportunities of the Company Product;
- To achieve customer satisfaction by providing high quality of product and services.

4. Financial Performance

Equity Share Capital : The Equity Share Capital of the Company as on 31st March, 2014 stood at ₹384.03 Lacs. There was no fresh issue of capital during the year.

Debt Equity : The debt equity ratio of the Company as on 31st March, 2014 is 0.69 which is sound in the prevailing market conditions and is very good as compared to the peers in the industry.

Finance Cost : Finance Cost for the financial year 2013-14 is ₹297.60 Lacs as compared to ₹360.95 Lacs in the



MANAGEMENT DISCUSSION AND ANALYSIS

previous year, as such there is decrease by 17.55 % in the current financial year over the previous financial year.

Turnover : The Company's turnover (Net of Excise) has increased from ₹7763.32 Lacs to ₹7972.88 Lacs, there is an increase of 2.70 % over the previous year.

Net Profit : Net profit available for appropriation for the year 2013-14 stood at ₹352.92 Lacs as compared to ₹118.63 Lacs in the previous year.

Earnings Per Share (EPS) : The Company's Earnings Per Share (EPS) during the current year is ₹1.84 (₹0.62 in the previous year).

5. Risks & Concerns

The company's internal processes cover, amongst others processes for identification, assessment and mitigation of various kind of risks which include operational and financial risks. Such risks are regularly reviewed and discussed.

Company's internal auditors review the internal controls, risk assessment and mitigation procedures, independently as a part of their internal audit process and their observations and findings are presented, reviewed and discussed in the audit committee meeting.

The plant head of the operating unit, with continuing interactions and communications with the marketing head, employees and other stakeholders keep himself abreast with the developments in the market, products, competition and other areas.

6. Internal Control System and their Adequacy

The Company's Internal Control System is a process through which it measures its ongoing performance of all the key areas, timely feedback on the achievement of operational or strategic goals, and compliance with laws and regulations. It plays an important role in preventing and detecting fraud and protecting the Company's resources.

The Company ensures that all transactions adhere to the requisite procedures, policies and are in accordance with the statutory requirements. The Company has established a suitable Internal Control System which ensures proper utilization of resources and accurate reporting of financials, safeguarding the Company's assets and ensuring the compliance with various legal and regulatory provisions. All transactions are properly authorised, recorded and reported to the management. The Company follows all applicable Accounting Standards for proper maintenance of the books of accounts and reporting of financial statements. The Company has appointed duly qualified and experienced internal auditors to review various areas of the operations of the Company. Regular internal audits and checks are carried out to provide assurance that the responsibilities at various levels are discharged effectively and that adequate systems are in existence. The reports of Internal Auditors are reviewed by the Management and also placed before the Audit Committee of the Directors. The Statutory Auditors also review the finding with management and Audit Committee.

7. Occupational Health & Safety

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



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



ANNEXURE "B"

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

Corporate Governance refers to the system by which companies are governed. It is the technique by which companies are directed, managed and controlled. The governance structure specifies the distribution of rights and responsibilities among different participants in the company (such as the board of directors, managers, shareholders, creditors, regulators, and other stakeholders) and specifies the rules and procedures for making decisions in corporate affairs.

Your Company is committed to conducting its business based on the highest standards of corporate governance. The Company promotes a culture that is based on the principles of good corporate governance – integrity, equity, fairness, individual accountability and commitment to values. The Company emphasizes the need for highest level of transparency and accountability in all its transactions in order to protect the interests of all its stakeholders. The Board considers itself as a Trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth on sustainable basis. Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are:-

- Commitment to excellence and customer satisfaction
- Achieving long term corporate goals

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and remaining committed to high standards of business ethics. Feedback from customers, suppliers and other associated persons are reviewed and remedial actions taken and reported in time.

2. Board of Directors

The Board of Directors of the Company has an optimum combination of executive and non-executive directors and is in conformity with clause 49 of the Listing Agreement. The board members possess requisite skills, experience and expertise required to take decisions, which are in the best interest of the Company. The total strength of the Board as on 31st March, 2014, was Eight Directors as detailed herein below:

S. No.	Name	DIN	Designation	Category (Whole time/ Non-Executive/ Independent)
1.	Mr. S. S. Sandhu	00002312	Chairman	Whole time
2.	Mr. N. S. Ghumman	00002052	Managing Director	Whole time
3.	Mr. D. J. S. Sandhu	00002039	Dy. Managing Director	Whole time
4.	Mr. Gurmeet Singh Gill	00007393	Director	Independent
5.	Mr. Rohit Kapur	00007721	Director	Independent
6.	Mr. Nirmaljeet Singh Gill	00007425	Director	Independent
7.	Lt. Gen. Pradeep Khanna (Retd.)	06668919	Director	Independent
8.	Capt. Jitender Singh Mann (Retd.)	06659626	Director	Independent

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



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



3. Board Meetings, its Committee Meetings and Procedures

3.1 Board Meetings

During the financial year 2013-2014, Four Board Meetings were held on 29th May, 2013, 8th August, 2013, 12th November, 2013, 6th February, 2014.

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 4 Meetings held during the year 2013-2014	Last AGM held on 27th September, 2013 (Attended – Yes / No)
Whole time Directors		
Mr. S. S. Sandhu	3	Y
Mr. N. S. Ghumman	4	Y
Mr. D. J. S. Sandhu	4	Y
Independent / Non-Executive Directors		
Mr. Gurmeet Singh Gill	4	N
Mr. Rohit Kapur	4	Y
Mr. Nirmaljeet Singh Gill	4	N
Lt. Gen. Pradeep Khanna (Retd.)	2	Y
Capt. Jitender Singh Mann (Retd.)	1	N

4. Number of Directorship on the Board of other Companies as on 31.03.2014

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, 2014, are given below:

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

5. Details of Remuneration paid to Directors

5.1 Remuneration paid to Whole-time Directors during the year ended 31.03.2014

(in Rupees)

Sl. No.	Name	Designation	Salaries & Allowances	Contribution to PF	Other Benefits	Total*
1.	Mr. S. S. Sandhu	Chairman	74,78,400/-	5,60,880/-	3,863/-	80,43,143/-
2.	Mr. N. S. Ghumman	Mg. Dir.	74,78,400/-	5,60,880/-	25,731/-	80,65,011/-
3.	Mr. D. J. S. Sandhu	Dy. Mg. Dir.	63,36,000/-	4,75,200/-	1,69,331/-	69,80,531/-

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



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



5.2 Sitting fee paid to Non-Executive / Independent Directors during the year ended 31.03.2014

(in Rupees)

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

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. Nirmaljeet Singh Gill (having financial and accounting knowledge), Mr. Rohit Kapur and Mr. Gurmeet 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 members of the audit committee whichever is greater, The quorum shall be either two members or one-third of but there should be minimum of two independent members present.

During the year under review, four Audit Committee meetings were held on 29th May, 2013, 8th August, 2013, 11th November, 2013 and 6th February, 2014

Name	Number of meetings held during the year	Number of Meetings attended during the year
Mr. Nirmaljeet Singh Gill	4	4
Mr. Gurmeet Singh Gill	4	4
Mr. Rohit Kapur	4	4

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.



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



Terms of Reference

The terms of reference of the Audit Committee are as defined under the relevant provisions of the Companies Act as in force (with effect from the notification of the Companies Act, 2013, governing provisions are contained under section 177 in place of erstwhile section 292A of the Companies Act, 1956) and clause 49 of the Listing Agreement with BSE.

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

- Review of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management the financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement as featured in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956/ corresponding provisions of sub-section (5) of section 134 of the Companies Act, 2013
 - Any changes in accounting policies and practices and reasons thereof
 - Major accounting entries based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Any related party transaction
 - Qualifications in the draft audit report
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing with management, statutory and internal auditors, the adequacy of internal control systems and internal audit function.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



- Reviewing the Company's financial and risk management policies.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing the functioning of Whistle Blower mechanism in the Company.
- Considering such other matters the Board may specify.
- Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in Listing Agreement and the Companies Act, as and when amended.

(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. Nirmaljeet Singh Gill, Mr. Rohit Kapur and Mr. Gurmeet Singh Gill. The quorum of the Committee is 2 members.

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 under review, one Remuneration Committee meeting was held on 6th February, 2014.

Name	Number of meetings held during the year	Number of Meetings attended during the year
Mr. Nirmaljeet Singh Gill	1	1
Mr. Gurmeet Singh Gill	1	1
Mr. Rohit Kapur	1	1

(ii-a) Nomination and Remuneration Committee

Pursuant to provisions of Section 178 of the Companies Act, 2013, Clause 49 of the Listing Agreement and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time and all other applicable provisions. The Board has constituted Nomination and Remuneration Committee in its Board meeting dated 28th May, 2014 in place of existing Remuneration Committee. Such Committee shall determine on behalf of Board and on behalf of the shareholders, the Company's policy governing remuneration payable to the Whole-time Directors as well as the nomination and appointment of Directors. The role of the Nomination and Remuneration Committee also covers such functions and scope as prescribed under section 178 of the Companies Act, 2013 read with allied Rules framed there under.

Composition, Name of Chairman and Members

In terms of section 178 of the Companies Act, 2013, Clause 49 of Listing Agreement and other applicable provisions, a 'Nomination and Remuneration Committee' has been constituted, comprising 3 independent non-executive directors viz., Mr. Nirmaljeet Singh Gill (having financial and accounting knowledge), Mr. Rohit Kapur and Mr. Gurmeet Singh Gill. The quorum of the Committee is two members. The Company Secretary is the Secretary of the Nomination and Remuneration Committee.

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

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- To formulate the criteria for evaluation of Independent Directors and the Board
- To devise a policy on Board diversity
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including, if required :-
 - o the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



- o the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- o the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
- o the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
- o the right of an employee to exercise all options vested in him at one time or various points of time within the exercise period;
- o the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others;
- o the granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable

Meetings and Attendance during the year

During the period under review, no meeting of Nomination and Remuneration Committee was held.

(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. Ghuman. 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. Ghuman and Mr. D. J. S. Sandhu in order to meet the requirements of Clause 49 of the Listing Agreement.

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

The Board has designated Mr. Ram Pravesh, Company Secretary as Compliance Officer.

Meetings and Attendance during the year

During the financial year under consideration, the Share Transfer Committee held 3 meetings on 12.08.2013, 28.10.2013 and 27.01.2014. All the members were present in the meeting.

Details of queries / complaints received from Shareholders / Investors during the year 2013-14

The details of shareholders grievance are as follows:

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



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



(iv) Stakeholders Relationship/ Grievance Redressal Committee

The 'Stakeholders Relationship Committee' (SR Committee) was constituted by the Board on 28th May, 2014 consequent to the dissolution of the 'Share Transfer Committee and Shareholders / Investors Grievance Committee'. The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading. The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

Composition, Name of Chairman and Members

In terms of section 178 of the Companies Act, 2013, Clause 49 of Listing Agreement and other applicable provisions, a 'Stakeholders Relationship/ Grievance Redressal Committee' has been constituted, comprising 3 independent non-executive directors viz., Mr. Nirmaljeet Singh Gill (having financial and accounting knowledge), Mr. Rohit Kapur and Mr. Gurmeet Singh Gill. The quorum of the Committee is two members. The Company Secretary is the Secretary of the 'Share Transfer Committee and Shareholders / Investors Grievance Committee'.

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

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

Meetings and Attendance during the year

During the period under review, there was no meeting of 'Stakeholders Relationship/ Grievance Redressal Committee' was held.

7. General Meetings

7.1 Annual General Meetings (AGM)

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

Year	2010-11	2011-12	2012-13
Date	28th September, 2011	26th September, 2012	27th September, 2013
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.)



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



7.2 Extra-Ordinary General Meeting (EGM)

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

8. Disclosures

- a) Details of transactions with related parties has been reported separately in Note No. 38 of Notes on Financial Statement attached with the financial statement for the year ended 31st March, 2014, in accordance with the requirements of Accounting Standard 18 – 'Related Party Disclosures'.
- b) The Company has complied with the various requirements of the Stock Exchange, SEBI and other statutory authorities on all matters related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by Stock Exchange, SEBI and statutory authority relating to the above.
- c) 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. 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) 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	25.09.2014 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, 2014
Second / half yearly	: Latest by mid of November, 2014
Third quarter	: Latest by mid of February, 2015
Fourth quarter	: Latest by end of May, 2015
Annual General Meeting	: Latest by end of September, 2015

11.3 Date of Book Closure : 18.09.2014 to 20.09.2014 (Both days inclusive)

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



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



- 11.5 (i) Stock Code** : at BSE 513097
- (ii) Demat ISIN No. in NSDL and CDSL for equity shares** : ISIN No.: INE 386D01027

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

Share Price Movement at BSE (₹ Per Share)			(₹ Per Share)		
Month	High	Low	Month	High	Low
April, 2013	8.49	5.16	Oct., 2013	10.25	6.61
May, 2013	8.20	6.25	Nov., 2013	9.80	7.25
June, 2013	7.30	5.80	Dec., 2013	7.25	6.39
July, 2013	6.45	5.07	Jan., 2014	7.71	6.30
Aug., 2013	6.15	4.75	Feb., 2014	8.63	6.40
Sep., 2013	7.45	6.00	Mar., 2014	8.75	6.65

11.7 Share Transfer System

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

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

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

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

11.8 Dematerialisation of shares

Over 94.81% of the Company's paid-up equity share capital has been dematerialised upto 31st March 2014. 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



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



has been submitted to Stock Exchange within stipulated time.

11.9 Shareholding Pattern as on 31st March, 2014

Category	No. of Shares held	% of total shareholding
Foreign Promoters	-	-
Banks	1,000	0.005 %
Financial Institutions	-	-
Mutual Funds	-	-
Domestic Companies	82,70,389	43.072 %
Non-Domestic Companies	-	-
Non-Resident Indians	1,02,297	0.533 %
Foreign Institutional Investors	-	-
Directors / Relatives of Directors	39,41,600	20.527 %
Individuals / Others	68,86,114	35.863 %
Total	1,92,01,400	100.00 %

11.10 Outstanding GDR / Warrants and convertible instruments

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

11.11 Major Plant / Unit Location(s)

Plant Location

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

Head Office:

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

11.12 Address for correspondence

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

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

11.13 Electronic Clearing Service (ECS)

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

11.14 Action required regarding Unclaimed Dividends

Pursuant to Section 205A and 205C of the Act, all unclaimed/unpaid dividend for the years prior to and including a



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2013-14)



sum of ₹1,07,233/- for the financial year 2005-06 (Final) and ₹106,377/- for the financial year 2006-07 (Ist Interim) have been transferred to the Investor Education and Protection Fund established by the Central Government (IEPF), as applicable.

The Dividend for the undernoted years, if unclaimed for 7 years, will be transferred by the Company to IEPF in accordance with the schedule given below. Attention is drawn that the unclaimed dividend for the financial year 2006-07 (IInd Interim), 2006-07 (Final) and 2007-08 (Ist 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*
2006-07 (IInd Interim)	April 21, 2007	May 27, 2014
2006-07 (Final)	August 20, 2007	September 25, 2014
2007-08 (Ist Interim)	January 30, 2008	March 6, 2015
2007-08 (IInd Interim)	June 6, 2008	July 11, 2015
2007-08 (Final)	September 30, 2008	November 5, 2015
2008-09 (Interim)	April 28, 2009	June 2, 2016
2008-09 (Final)	September 30, 2009	November 5, 2016
2009-10 (Interim)	May 5, 2010	June 10, 2017
2009-10 (Final)	September 24, 2010	October 30, 2017
2010-11 (Ist Interim)	January 31, 2011	March 7, 2018
2010-11 (IInd Interim)	May 12, 2011	June 17, 2018
2010-11 (Final)	September 28, 2011	November 3, 2018

*Indicative dates and actual dates may vary.

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

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

12. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).



CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER



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

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2014 and based on our knowledge and belief, we state that :
- these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - 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:
- Significant changes, if any, in the internal control over financial reporting during the year;
 - 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
 - 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. Ghuman)
Managing Director

Sd/-
(Mukesh K. Verma)
Chief Financial Officer

Place : New Delhi
Dated : May 28, 2014



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE



MALIK S & CO.
CHARTERED ACCOUNTANTS

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

To the Shareholders of

SHIVALIK BIMETAL CONTROLS LTD.

We have examined the compliance of conditions of Corporate Governance by **SHIVALIK BIMETAL CONTROLS LTD.** for the year ended on 31st March, 2014 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
Dated: May 28, 2014



INDEPENDENT AUDITORS' REPORT



To

The Members of

SHIVALIK BIMETAL CONTROLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Shivalik Bimetal Controls Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b. In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



INDEPENDENT AUDITORS' REPORT



2. As required by section 227(3) of the Act, we report that:
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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
 - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

Place : New Delhi
Dated: May 28, 2014



ANNEXURE TO INDEPENDENT AUDITORS' REPORT



(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. According to information and explanations given to us, the assets have been physically verified by the management during the year as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. 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.
- 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) a,b,c,d. The company has not granted any loans, to companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the said Order) are not applicable to the company.
- e. The company has taken loans from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum principal amount involved during the year was ₹ 647.31 lakhs and the year-end balance of such loans was ₹ 647.31 lakhs.
- f. In our opinion, the rate of interest and other terms and conditions on which loan have been taken from the company listed in the register maintained under section 301 of Companies Act, 1956 are, prima facie, not prejudicial to the interest of the company.
- g. The payment of principal amount and interest in respect of such loans are as per stipulations.
- (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, which is deposited with the appropriate authorities.



ANNEXURE TO INDEPENDENT AUDITORS' REPORT



(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

- 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, 2014 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues outstanding of Sales Tax, Income Tax, Service Tax, Custom 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 ₹ 538 Lakhs for loans taken by the Joint Venture Company (in which company holds 50% of issued share capital) and Associate Company (in which the company holds 45% of issued share capital) from bank. The terms and conditions whereof are not prima-facia prejudicial to the interest of the company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment by the company.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in register maintained under Section 301 of the Companies Act, 1956.
- (xix) Since the debentures have not been issued during the year, question of creating securities does not arise.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year ended 31st March, 2014.

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

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

Place : New Delhi
Dated: May 28, 2014



SHIVALIK BIMETAL CONTROLS LIMITED



BALANCE SHEET as at 31st March, 2014

(₹ in '000)

	Note No.	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	38,403	38,403
(b) Reserves and surplus	4	5,23,598	4,88,306
Non-current liabilities			
(a) Long-term borrowings	5	1,16,491	73,576
(b) Deferred tax liabilities (Net)	6	18,561	20,789
(c) Other Long term liabilities	7	2,912	1,333
(d) Long-term provisions	8	1,428	2,261
Current liabilities			
(a) Short-term borrowings	9	2,38,324	2,75,989
(b) Trade payables	10	80,307	71,160
(c) Other current liabilities	11	69,071	1,06,603
(d) Short-term provisions	12	45,460	34,788
TOTAL		11,34,555	11,13,208
II. ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	1,99,491	2,11,860
(ii) Intangible assets	13	1,294	933
(iii) Capital work-in-progress	13	1,78,526	1,52,796
(b) Non-current investments	14	1,73,523	1,65,523
(c) Long-term loans and advances	15	8,157	8,843
(d) Other non-current assets	16	80,184	90,263
Current assets			
(a) Current Investments	17	1,757	1,612
(b) Inventories	18	1,86,068	2,14,736
(c) Trade receivables	19	2,17,372	1,84,338
(d) Cash and cash equivalents	20	3,942	3,979
(e) Short-term loans and advances	21	77,552	74,422
(f) Other current assets	22	6,689	3,903
TOTAL		11,34,555	11,13,208

III. Notes forming part of the Financial Statements 1 to 40

As per our report of even date

For **MALIK S & CO.**

Chartered Accountants

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor

Sd/-
(MUKESH K. VERMA)
Chief Financial Officer

Sd/-
(RAM PRAVESH)
Company Secretary

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

Sd/-
(S.S. SANDHU)
Chairman

Place : New Delhi

Dated : May 28, 2014



SHIVALIK BIMETAL CONTROLS LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT

for the year ended 31st March, 2014



(₹ in '000, except per share data)			
	Note No.	Year 2013-14	Year 2012-13
I. Revenue from operations	23	8,07,078	7,82,582
II. Other income	24	2,251	1,294
III. Total Revenue (I + II)		8,09,329	7,83,876
IV. Expenses			
(a) Cost of materials consumed	25	4,89,240	4,69,836
(b) Decrease/(Increase) in Stock	26	(8,592)	4,017
(c) Employee benefits expense	27	87,064	85,664
(d) Finance costs	28	29,760	36,095
(e) Manufacturing and other expense	29	1,41,128	1,51,565
(f) Depreciation expense	13	23,498	23,385
Total expenses		7,62,098	7,70,562
V. Profit before exceptional and extraordinary items and tax (III-IV)		47,231	13,314
VI. Exceptional items (Income)/Expenses	30	5,891	(5,054)
VII. Profit before extraordinary items and tax (V - VI)		41,340	18,368
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		41,340	18,368
X. Tax expense			
(a) Current tax		10,600	2,750
(b) MAT Credit Entitlement		(2,325)	(1,300)
(c) Current tax related to previous years		-	55
(d) Deferred tax		(2,227)	5,000
		6,048	6,505
XI. Profit (Loss) for the year (IX-X)		35,292	11,863
XII. Earnings per equity share			
(a) Basic	31	1.84	0.62
(b) Diluted	31	1.84	0.62
XIII. Notes forming part of the Financial Statements	1 to 40		

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

For and on behalf of the Board

Sd/- SURESH MALIK Proprietor	Sd/- (MUKESH K. VERMA) Chief Financial Officer	Sd/- (RAM PRAVESH) Company Secretary	Sd/- (N.S. GHUMMAN) Managing Director	Sd/- (S.S. SANDHU) Chairman
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Place : New Delhi
Dated : May 28, 2014



SHIVALIK BIMETAL CONTROLS LIMITED

CASH FLOW STATEMENT for the year ended on 31st March, 2014



(₹ in '000)

	Year ended March 2014	Year ended March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	41,340	18,368
Adjustments for:		
Depreciation	23,498	23,385
Interest Paid	29,760	36,095
Interest Received	(678)	(87)
Amount Written Back	(1,412)	(3,729)
Debtors/ Unrecoverable Amount Written Off	77	1,018
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss/(gain)	6	5
(Profit)/Loss on sale of Fixed Asset	2,109	1,140
Deferred Revenue Expenses written off	1,719	-
Operating Profit before Working Capital changes	96,419	76,195
Adjustment for :		
Trade and other receivables	(32,535)	(22,066)
Inventories	36,452	93,172
Trade Payables	(26,867)	22,261
Loans and Advances	(238)	2,396
Cash generated from operations	73,231	1,71,958
Direct taxes paid	(3,483)	(1,280)
Cash flow from Ordinary items	69,748	1,70,678
Net Cash flow from operating Activities	69,748	1,70,678
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(21,240)	(24,688)
Sale of Fixed Assets	7,641	1,197
Capital Work In Progress	(25,730)	(17,860)
Capital Advance	1,742	2,319
Interest Received	678	87
Long Term Investment	(8,000)	-
Deferred Revenue Expenditure	-	(1,719)
Other Investment	(145)	1,317
Net cash (used in)/ from investing activities	(45,054)	(39,347)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Bank Borrowings	(37,665)	(95,785)
Vehicle Loan	4,045	(4,548)
Term Loan Paid	(17,549)	5,785
Unsecured Loan	56,419	(3,710)
Interest Paid	(29,760)	(36,095)
Dividend including Dividend Tax paid	(215)	(282)
Net Cash (used in) from financing activities	(24,725)	(1,34,635)
NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS	(31)	(3,304)
Cash and Cash equivalents as on 1st April, 2013 (Opening Balance)	3,979	7,288
Exchange Difference on translation of foreign currency cash & cash equivalent	(6)	(5)
Cash and Cash equivalents as on 31st March, 2014 (Closing Balance)	3,942	3,979
Cash and Cash equivalents as on 31st March, 2014 as per books	3,942	3,979

As per our report of even date

For **MALIK S & CO.**

Chartered Accountants

For and on behalf of the Board

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
SURESH MALIK	(MUKESH K.VERMA)	(RAM PRAVESH)	(N.S. GHUMMAN)	(S.S. SANDHU)
Proprietor	Chief Financial Officer	Company Secretary	Managing Director	Chairman

Place : New Delhi

Dated : May 28, 2014



SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2014)



1. Company's Overview

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

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

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956. The Financial statements are presented in Indian Rupee rounded off to the nearest Rupees in thousands.

2.2 Use of Estimates

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

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Accounting estimates could change from period to period.

2.3 Inventories

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

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

2.4 Cash and cash equivalents

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

2.5 Cash Flow Statements

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

2.6 Depreciation

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

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

2.7 Research & Development Expenditure

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

2.8 Revenue Recognition

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

2.9 Export Benefits

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

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

- a. Tangible Assets are stated at cost (Net of CENVAT/Value added tax, wherever applicable) less accumulated depreciation/amortization. Cost comprises the purchase price, freight, foreign exchange adjustments arising from exchange rate variations, borrowing cost attributable to the Qualifying Asset and any other directly attributable cost of bringing the asset to working condition for its intended use.

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

- b. Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation or amortization and impairment, if any.
- c. Capital work-in-progress represents the cost of tangible assets that are not yet ready for their intended use at the reporting date.

2.11 Foreign Currency Transactions

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

2.12 Forward Contracts

- a. The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the company does not use those for trading or speculation purposes.
- b. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- c. In respect of Commodity Hedging transactions, gain/ losses on settlement are recognized in the profit & loss account.

2.13 Investments

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

2.14 Employees' Benefits

- a. Defined Contribution Plans:

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

- b. Defined Benefit Plans:

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

- c. Liability in respect of leave encashment is provided for based on Actuarial Valuation basis using the same projected unit credit method as above.
- d. Compensation to employees, who opted for retirement under the Voluntary Retirement Scheme of the company, is charged to the statement of Profit & Loss in the year of exercise of option by the employee.

2.15 Borrowing Costs

- a. Borrowing Costs that are attributable to the acquisition or construction of qualifying assets as defined in Accounting Standard-16 are capitalized as part of the cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.
- b. Borrowing costs include interest and exchange difference arising from currency borrowing to the extent they are regarded as an adjustment to the interest cost.

2.16 Inter unit Transactions

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

2.17 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.

2.18 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.

2.19 Impairment

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

2.20 Provision, Contingent Liabilities and Contingent Assets

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

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

Contingent liability is disclosed in case of

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

Contingent assets are neither recognized nor disclosed.

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



Notes on Financial Statements for the year ended 31st March, 2014



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

3. Share Capital

Particulars	(₹ in '000, except per share data)	
	As at 31 st March 2014	As at 31 st March 2013
Authorised		
Equity Shares of ₹ 2/- each		
7,50,00,000 (Previous Year 7,50,00,000) equity shares	150,000	150,000
Issued, Subscribed and Paid up		
Equity Shares of ₹ 2/- each		
1,92,01,400 (Previous Year 1,92,01,400) equity shares	38,403	38,403
Total	38,403	38,403

3.1 Reconciliation of Number of Shares

Particulars	Equity Shares (Numbers)	
	As at 31 st March 2014	As at 31 st March 2013
Shares as at beginning of the year	1,92,01,400	1,92,01,400
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares as at end of the year	1,92,01,400	1,92,01,400

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

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

3.4 Shareholders holding more than 5% shares

Name of Shareholders	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. N. S. Ghumman	14,65,000	7.63	14,65,000	7.63
O D Finance and Investment Pvt. Ltd.	15,23,989	7.94	14,19,590	7.39
Ultra Portfolio Management Pvt. Ltd.	9,83,590	5.12	9,77,380	5.09
TSL Holdings Limited	27,90,200	14.53	27,90,200	14.53
Angad Estates Pvt. Ltd.	16,55,000	8.62	16,55,000	8.62



Notes on Financial Statements for the year ended 31st March, 2014



4. Reserves and Surplus

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Capital Reserve		
Opening Balance	57	57
Add: Transferred during the year	-	-
Less: Transferred to General reserve	-	-
	57	57
(b) General Reserve		
Opening Balance	2,16,363	2,16,363
Add: Transferred from Profit & Loss Account	10,000	-
Add: Transferred from Capital Reserve	-	-
	2,26,363	2,16,363
(c) Profit & Loss Account		
Opening balance	2,71,886	2,60,023
Add: Profit for the year	35,292	11,863
Amount available for Appropriations	3,07,178	2,71,886
Less: Appropriations		
- General Reserve	10,000	-
	2,97,178	2,71,886
	5,23,598	4,88,306

5. Long Term Borrowings

(₹ in '000)

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Non Current	Current**	Non Current	Current**
Secured				
(a) From Banks*				
Foreign Currency Loan-Buyers' Credit#	30,989	10,330	37,338	37,338
Rupee Loan	28,702	16,573	35,857	17,524
Sub Total	59,691	26,903	73,195	54,862
Unsecured				
From Others	56,800	5,156	381	3,507
Total	1,16,491	32,059	73,576	58,369

* ₹59,691 thousand comprises term loan of ₹ 53,389 thousands which is secured by first charge on Plant & Machinery, both present and future and equitable mortgage of company's Factory Leasehold Land and Building, situated at Chambaghat, Solan, (H.P.) and vehicle loan of ₹ 6,302 thousands secured by hypothecation of vehicles.

#Classification of foreign currency loan has been made into Non - Current and Current, after taking into consideration the term loan availed by the company to square off buyers credit loan subsequent to the balance sheet date.

** Refer Note no. 11(a)



Notes on Financial Statements for the year ended 31st March, 2014



6. Deferred Taxes

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
Deferred Tax Liabilities	20,789	15,789
Depreciation	(1,380)	(826)
	19,409	14,963
Deferred Tax Assets		
Provision for Doubtful Debts	-	(4,830)
Employee Benefits	1,010	(186)
Others	(162)	(810)
	848	(5,826)
Deferred Tax Liabilities (Net)	18,561	20,789

7. Other Long term Liabilities

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Trade Payables	1,279	794
(b) Other Liabilities	1,633	539
	2,912	1,333

8. Long Term Provisions

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Provision for employee benefits		
– Unavailed Leave	1,343	1,471
(b) Other Provisions		
– Excise duty on Finished goods	85	790
	1,428	2,261

9. Short Term Borrowings

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
Secured		
Working Capital Loans		
From Banks@		
Foreign Currency Loan	2,06,286	1,89,523
Rupee Loan	29,263	84,108
Unsecured		
From Others	2,775	2,358
	2,38,324	2,75,989

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



Notes on Financial Statements for the year ended 31st March, 2014



10. Trade Payable

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
Micro, Small and Medium Enterprises#	77	17
Others	80,230	71,143
	80,307	71,160

As required under "Micro, Small and Medium Enterprises Development Act, 2006", the information available with the company relating to amount overdue at the end of the period on account of principal amount due is ₹76888 (Previous year ₹16630) and interest due thereon is Nil (Previous year Nil)

11. Other Current Liabilities

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Current maturities of long-term debt (refer note no. 5)	32,059	58,369
(b) Interest accrued but not due on borrowings	1,340	1,085
(c) Interest accrued and due on borrowings	714	559
(d) Unclaimed dividends	1,417	1,632
(e) Other Payables		
(i) Statutory Dues	5,066	4,244
(ii) Advance From Customers	17,221	12,313
(iii) Forward Contract liability	-	17,362
(iv) Others	11,254	11,039
	69,071	1,06,603

12. Short Term provisions

(₹ in '000)

Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Provision for employee benefits		
i) Bonus	1,781	1,911
ii) Unavailed Leave	110	109
(b) Provision for Excise Duty on Finished Goods	901	1,628
(c) Taxation	42,668	31,140
	45,460	34,788

Notes on Financial Statements for the year ended 31st March, 2014



13. Non Current Assets- Fixed Assets

(₹ in '000)															
		Gross Block						Accumulated Depreciation					Net Block		
Fixed Assets		As at 1st April 2013	Additions during the period	Disposals during the period	Revaluations/ (Impairments)	Effect of Foreign Currency Difference	Borrowing Cost Capitalised	Other Adjustments	As at 31st March 2014	As at 1st April 2013	Depreciation charged for the period	Adjustment due to revaluations/ (Impairment)	On disposals/ Transfer	As at 31st March 2014	As at 31st March 2013
(a)	Tangible Assets														
	Leasehold Land	367			-				367	-	-	-	-	367	367
	Freehold Land	10,088							10,088	-	-	-	-	10,088	10,087
	Buildings	34,839	179		-				35,018	13,876	1,167	-	-	15,043	19,975
	Plant and Equipment	2,39,644	5,972		-	894		(12,580)	2,33,930	1,22,452	13,850	-	7,800	1,28,502	1,17,192
	Furniture and Fixtures	18,654	107		-			3	18,764	6,852	1,171	-		8,023	10,741
	Vehicles	64,286	12,778	12,503	-				64,561	19,834	6,119	-	7,624	18,329	46,232
	Office Equipment	16,314	731	138	-		3		16,910	9,318	973	-	41	10,250	6,660
	Total (a)	3,84,192	19,767	12,641	-	894	-	(12,574)	3,79,638	1,72,332	23,280	-	15,465	1,80,147	1,99,491
(b)	Intangible Assets*														
	Computer software	2,518	579	-	-				3,097	1,585	218			1,803	1,294
	Total (b)	2,518	579	-	-		-		3,097	1,585	218	-	-	1,803	1,294
	Total (a + b)	3,86,710	20,346	12,641	-	894	-	(12,574)	3,82,735	1,73,917	23,498	-	15,465	1,81,950	2,00,785
	Previous year	3,65,507	24,193	3,497	-	494	-		3,86,697	1,51,692	23,385	-	1,160	1,73,916	2,13,816
(c)	Capital Work In Progress :														
	-Unit-I														
	Plant & Machinery under Installation													3,851	573
	Software under Installation													-	225
	-Unit-IV (refer note no.-13.3)													1,74,675	1,51,998
	Total													1,78,526	1,52,796

* Other than internally generated

13.1 Leasehold Land:

Leasehold Period: 95 years

Leasehold Installment: Nil

13.2 In compliance with newly inserted para 46A of the Accounting Standard (AS)- 11 “The effect of changes in Foreign Exchange Rates”, vide notification issued by the Ministry of Corporate Affairs, the company has adjusted ₹894 thousands (Previous year ₹494 thousands) to the cost of relevant fixed assets during the year.

13.3 Capital Work-in-Progress (Unit-IV)

Amount incurred by the company towards installation of Plant & Machinery And the Site Development in regard to Unit IV are appearing under the head Capital Work In Progress which would be capitalized on the remaining Plant and Machinery as and when completed and put to use, the details whereof are given below:

(₹ in '000)

Particulars	As at 31st March 2014		As at 31st March 2013	
Plant & Machinery under installation		1,02,348		98,676
Site Development		8,216		7,766
Expenses Pending Capitalisation (Unit-IV)				
Opening Balance	45,556		31,315	
Add:				
Transferred from Profit & Loss Account (refer note no. 29)	4,812		3,852	
Interest Capitalized	5,914		6,068	
Exchange Rate Fluctuation	7,829		4,321	
Total	64,111		45,556	
Less:				
Expenses Capitalized during the year	-		-	
Closing Balance		64,111		45,556
Total		1,74,675		1,51,998



Notes on Financial Statements for the year ended 31st March, 2014



14. Non Current Investments

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
Other Investments		
Unquoted, fully paid up		
(a) In Equity Shares of Associate Companies		
222,750 shares in Shivalik Bimetal Engineers Pvt. Limited of ₹10/- each (Previous Year 222,750 shares of ₹10/- each)	2,228	2,228
15,120,000 shares in Innovative Clad Solutions Pvt. Limited of ₹ 10/- each (Previous Year 15,120,000 shares of ₹10/- each)	151,200	151,200
(b) In Equity Shares of Joint Venture		
14,85,900 shares in Checon Shivalik Contact Solutions Pvt. Limited of ₹10/- each (Previous Year 6,85,900 shares of ₹10/- each)	19,895	11,895
(c) In Equity Shares of Other Company		
20,000 shares in Shivalik Solid Waste Management Pvt. Limited of ₹ 10/- each (Previous Year 20,000 shares of ₹10/- each)	200	200
	1,73,523	1,65,523

15. Long term Loans and Advances

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Capital Advances		
Unsecured, considered good	777	2,519
(b) Security Deposits		
Unsecured, considered good		
Balances with Government Authorities	1,044	1,044
Others	1,882	1,986
	2,926	3,030
(c) Other loans and advances		
Unsecured ,Considered good		
Prepaid Expenses	38	2
MAT Credit Entitlement	4,416	3,292
	4,454	3,294
	8,157	8,843



Notes on Financial Statements for the year ended 31st March, 2014



16. Other Non Current Assets

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Long Term Trade Receivables		
Unsecured		
Considered good	73,821	74,398
Considered Bad and Doubtful		14,885
	<u>73,821</u>	<u>89,283</u>
Less: Bad Debts Written Off	-	14,885
	<u>73,821</u>	<u>74,398</u>
(b) Others		
Inventories	<u>6,363</u>	<u>14,146</u>
(c) Miscellaneous Expenditure (To the extent not written off)		
Rights Issue Expenses	-	1,719
	<u>80,184</u>	<u>90,263</u>

17. Current Investments

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
Other Investments (valued at Cost)	<u>1,757</u>	<u>1,612</u>
	<u>1,757</u>	<u>1,612</u>

18. Inventories

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Raw Materials		
(i) At Store	58,618	43,817
(ii) At Bonded Warehouse	37,239	93,845
(iii) Material in transit	9,840	16,304
	<u>1,05,697</u>	<u>1,53,966</u>
(b) Work-in-Process	<u>57,755</u>	<u>38,451</u>
(c) Finished goods		
(i) At Store	11,284	15,020
(ii) Material in transit*	12	259
	<u>11,296</u>	<u>15,279</u>
(d) Stores, Spares and Packing Material	<u>11,213</u>	<u>6,895</u>
(e) Scrap	<u>107</u>	<u>145</u>
	<u>1,86,068</u>	<u>2,14,736</u>

*Net of Unrealised Profit



Notes on Financial Statements for the year ended 31st March, 2014



19. Trade Receivables

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
Trade Receivables (Unsecured and Considered Good)		
(a) Over six months from the date they were due for payment	1,871	234
(b) Others	2,15,501	1,84,104
	2,17,372	1,84,338

20. Cash and Cash Equivalents

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
(a) Balances with banks in		
- Current Accounts	1,552	1,256
- Current Accounts in Foreign Currency	693	634
(b) Cash on hand	280	457
(c) Unpaid Dividend	1,417	1,632
	3,942	3,979

21. Short Term Loans and Advances

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
Unsecured, considered good		
(a) Advances to related parties (refer note no.-38)	-	200
(b) Loans and advances to Employees	204	610
(c) Prepaid Expenses	1,389	1,535
(d) Balances with Revenue authorities	66,866	47,196
(e) MAT Credit Entitlement	8,000	6,800
(f) Security Deposits	245	-
(g) Forward Contract assets	-	17,528
(h) Other loans and advances	848	553
	77,552	74,422

22. Other Current Assets

	(₹ in '000)	
Particulars	As at 31 st March 2014	As at 31 st March 2013
a) Interest accrued but not due on FDR	654	340
b) Margin Money Deposit Others	-	1
c) Margin Money Deposit against Bank Guarantee (s)#	4,994	3,562
d) Export Incentives-SHIS	1,041	-
	6,689	3,903

Margin Money deposit with banks include Fixed deposit of ₹3,58 thousands (Previous Year ₹ 6,13 thousands) with maturity of more than 12 months.



Notes on Financial Statements for the year ended 31st March, 2014



23. Revenue from Operations

	(₹ in '000)	
Particulars	2013-14	2012-13
Sale of products	8,52,838	8,33,030
Less: Excise duty	55,550	56,698
	7,97,288	7,76,332
Other Operating Revenues	9,790	6,250
	8,07,078	7,82,582

24. Other Income

	(₹ in '000)	
Particulars	2013-14	2012-13
(a) Interest Received on deposits with bank	403	87
(b) Interest received on delayed Payment	71	640
(c) Rent Received	360	360
(d) Interest received on Income Tax refund	204	-
(e) Miscellaneous Income	172	207
(f) Export Incentives	1,041	-
	2,251	1,294

25. Cost of Materials Consumed

Particulars	2013-14		2012-13	
	(₹ in '000)	% of Consumption	(₹ in '000)	% of Consumption
Imported	4,61,651	94%	4,31,929	92%
Indigenous	27,589	6%	37,907	8%
	4,89,240	100%	4,69,836	100%

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

	(₹ in '000)	
Particulars	2013-14	2012-13
Inventory (at Beginning)		
– Finished Goods	20,704	33,037
– Work-in-Process	41,606	34,614
– Scrap	145	17
	62,455	67,668
Inventory (at Close)		
– Finished Goods	11,451	20,704
– Work-in-Process	58,057	41,606
– Scrap	107	145
	69,615	62,455
(Increase)/Decrease	(7,160)	5,213
Add/(Less): Excise duty variation on opening/closing stock	(1,432)	(1,196)
(Increase)/Decrease	(8,592)	4,017

27. Employee Benefit Expenses

		(₹ in '000)
Particulars	2013-14	2012-13
(a) Salaries and Wages	75,930	74,785
(b) Contributions to -		
(i) Provident fund	4,555	4,468
(ii) ESI Contribution	717	876
(iii) Gratuity fund contributions	1,193	899
(c) Staff welfare expenses	4,669	4,636
	87,064	85,664

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

The disclosures required under Accounting Standard 15 (revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

(I) Defined Contribution Plan

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

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

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

		(₹ in '000)
Particulars	2013-14	2012-13
(a) Employer's Contribution to Provident Fund	3,132	3,011
(b) Employer's Contribution to Pension Scheme	1,423	1,457

(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	2013-14		2012-13	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	8.50%	8.50%	8.00%	8.00%
Rate of escalation in Salary (per annum)	6.50%	6.50%	6.00%	6.00%
Expected Rate of return on plan assets (per annum)	8.75%		9.15%	
Expected Average remaining working lives of employees in no. of years	21.82	21.82	22.37	22.37
Mortality Table (LIC)	(1994-96) duly modified		(1994-96) duly modified	

Notes on Financial Statements for the year ended 31st March, 2014



(₹ in '000)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2013-14	2012-13	2013-14	2012-13
(a) Changes in Present Value of Obligation				
Opening balance of Present value of obligation	10,367	8,968	1,580	1,950
Interest Cost	829	717	126	156
Current Service Cost	869	827	238	236
Benefits Paid	(1,662)	(334)	(485)	(68)
Actuarial (Gain)/Loss on Obligation	310	189	(6)	(693)
Closing Balance of Present value of obligation	10,713	10,367	1,453	1,580
(b) Changes in Fair Value of Plan Assets				
Opening balance of Fair Value of Plan Assets	9,758	9,107	-	-
Expected Return on Plan Assets	854	834	-	-
Employer's Contribution	1,333	150	-	-
Benefits paid	(1,662)	(334)	-	-
Actuarial Gain/ (Loss) on Plan Assets	(38)	1	-	-
Closing balance of Fair value of Plan Assets	10,244	9,758	-	-
Actual return on Plan Assets	816	835	-	-
(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	10,713	10,367	1,453	1,580
Closing Balance of Fair Value of Plan Assets	10,244	9,758	-	-
(Asset)/ Liability recognised the Balance Sheet	469	609	1,453	1,580
(e) Amount Recognised in the Balance Sheet				
Closing Balance of Present Value of Obligation	10,713	10,367	1,453	1,580
Closing Balance of Fair Value of Plan Assets	10,244	9,758	-	-
Funded (Asset)/ Liability recognized in the Balance Sheet	469	609	-	-
Unfunded Liability recognised in the Balance Sheet	-	-	1,453	1,580
(f) Expenses recognised in the statement of Profit and Loss				
Current Service Cost	869	827	238	236
Interest Cost	829	717	126	156
Expected Return on Plan Assets	(854)	(834)	-	-
Net Actuarial (Gain)/Loss recognised in the period	348	188	(6)	(693)
Expenses recognized in the statement of Profit and Loss	1,193	899	358	(301)
(g) Experience Adjustments				
Experience adjustment on Plan Liabilities (loss)/gain	(303)	(155)	8	701
Experience adjustment on Plan Assets (loss)/ gain	(77)	1	-	-
(h) Expected employer contribution for the next year	1,644	1,366	334	440

27.2 The company announced Voluntary Retirement Scheme (VRS) for its workers & staff and in response to the scheme, some employees opted for the same during the year. In compliance with the provisions of the AS-15 "Employee Benefits" the entire amount of ₹ 36.25 lacs incurred by the company is charged to the Statement of Profit & Loss account under the head "Exceptional Items (Income)/Expenses."



Notes on Financial Statements for the year ended 31st March, 2014



28. Finance Costs

	(₹ in '000)	
Particulars	2013-14	2012-13
(a) Interest expense on		
(i) Borrowings	14,602	24,421
(ii) Others	972	1,611
(b) Other Borrowing costs	3,419	3,200
(c) Applicable Loss on foreign currency transactions and translation	10,767	6,863
	29,760	36,095

29. Manufacturing & Other Expenses

	(₹ in '000)	
Particulars	2013-14	2012-13
Stores & Spares Consumed (refer note no.-29.1)	11,580	13,420
Power & Fuel	10,449	8,826
Job Work Expenses	2,083	1,991
Custom /Excise Duty Paid	2,064	612
Machinery Repairs	12,271	11,310
Building Repairs	3,009	3,449
Other Repairs	9,134	9,630
Processing Charges	168	4,233
Research & Development	1,806	1,449
Insurance	447	451
Rent, Rates and Taxes	6,232	7,986
Travelling & Conveyance	8,042	8,914
Electricity and Water Charges	1,557	2,816
Printing & Stationery	973	955
Communication Expenses	1,591	1,928
Professional and Consultancy Charges	5,321	3,465
Payment to Auditors (refer note no.-29.3)	3,108	1,983
Business Promotion /Development, Advertisement & Publicity	2,280	2,230
Commission on Sales	20,339	26,915
Packing Cost	13,386	20,803
Forwarding & Freight	13,519	14,338
Early Payment Discount	1,944	1,774
Irrecoverable Debts Written Off	77	1,018
Miscellaneous Expenses	4,579	4,089
Prior Period Expense (refer note no.-29.4)	129	412
Loss on Exchange Fluctuations	9,852	421
	1,45,940	1,55,417
Less: Transferred to Expenses Pending for Capitalization (Unit-IV)	4,812	3,852
Manufacturing Expenses transferred to Statement of Profit & Loss	1,41,128	1,51,565

Notes on Financial Statements for the year ended 31st March, 2014



29.1. Stores & Spares consumed

Particulars	2013-14		2012-13	
	(₹ in '000)	% of Consumption	(₹ in '000)	% of Consumption
Imported	659	6%	639	5%
Indigenous	10,921	94%	12,781	95%
	11,580	100%	13,420	100%

29.2 Value of Imports on CIF basis in respect of

Particulars	(₹ in '000)	
	2013-14	2012-13
(a) Raw Material	3,51,975	3,00,874
(b) Spares parts	973	1,725
(c) Capital Goods	1,386	3,875

29.3 Payment to Auditors

Particulars	(₹ in '000)	
	2013-14	2012-13
(a) As Statutory Audit fee	1,200	800
(b) Taxation matters	800	800
(c) Certification and Consultation fee	1,108	350
(d) Reimbursement of expenses	-	33
	3,108	1,983

29.4 Prior Period Items

Particulars	(₹ in '000)	
	2013-14	2012-13
(a) Prior Period Expense	242	420
(b) Prior Period (Income)	(113)	(8)
	129	412

29.5 Expenditure in Foreign Currency

Particulars	(₹ in '000)	
	2013-14	2012-13
(a) Travelling	2,070	2,608
(b) Professional Fees	181	210
(c) Export Commission	3,558	2,688
(d) Interest Paid on Buyers' Credit	4,129	5,952
(e) Expenditure on account of Exchange Fluctuations	20,619	7,284



Notes on Financial Statements for the year ended 31st March, 2014



30. Exceptional Items (Income)/Expenses

		(₹ in '000)
Particulars	2013-14	2012-13
(a) Exceptional Items Expenses		
– VRS Compensation	3,625	-
– Loss on Sale of Fixed Assets	2,109	1,140
– Loss on Commodity Derivative	-	86
– Rights Issue Expenses	1,719	-
	7,453	1,226
(b) Exceptional Items Income		
– Profit on Sale of Gold Coins	-	2,551
– Liabilities/Provisions Written Back	1,412	3,729
– Profit on Sale of Assets	150	-
	1,562	6,280
Net (Income)/Expenses	5,891	(5,054)

31. Earnings Per Share

Particulars	2013-14	2012-13
Net Profit attributable to shareholders (₹ in '000)	35,292	11,863
Weighted average number of equity Shares	1,92,01,400	1,92,01,400
Basic and Diluted Earnings per share (₹)	1.84	0.62
Face Value per Equity Share (₹)	2	2

32. Earnings in Foreign Exchange

		(₹ in '000)
Particulars	2013-14	2012-13
FOB Value of Export (Net of Returns)	3,24,816	3,14,297

33. Contingent Liabilities in respect of:

		(₹ in '000)
Particulars	2013-14	2012-13
(A) Contingent Liabilities		
Bank Guarantee(s) submitted	19,978	14,248
Letters of Credit established by the bank	5,524	-
Bills Discounted	10,862	21,065
Customs duty on Material imported against Advance License /EPCG Scheme, for pending export obligation	52,808	58,636
Interest on Customs/Excise Duty for surrender of import benefit on unrealised export proceeds	3,804	3,804
Corporate Guarantee(s) on behalf of JV/ Associate Company	53,800	53,800
Surety with Sales Tax Department	500	500
(B) Commitments		
(a) Estimated amount of contracts (net of advances) exceeding ₹ 1.00 lakh in each case remaining to be executed on capital account and not provided for	14,051	12,595

34. The Company was issued SCNs (Show Cause Notice's) w.r.t. admissibility of Cenvat Credit amounting to ₹49,195 thousands of Service Tax availed and ₹2,132 thousands of cenvat credit of excise duty availed by the Company.

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

35. 'Customs Duty not provided for' in respect of materials lying in Bonded Warehouses / Materials in Transit as on Balance Sheet date, is of ₹ 9,983 thousands inclusive of Cenvatable amount of ₹7,583 thousands (Previous Year ₹22,898 thousands inclusive of Cenvatable amount of ₹17,375 thousands). However, the above policy has no impact on the operating results of the Company.

36. Foreign currency exposures (Net Liabilities) that are not hedged by forward contracts as on 31st March, 2014 amount to ₹2,20,563 thousands (Previous year ₹2,22,350 thousands).

37. The Company's activities involve predominantly one business segment i.e. Process and product Engineering, which are considered to be within a single business segment since these are subject to similar risks and returns. Accordingly, Process and Product Engineering comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by AS 17- Segment Reporting, with respect to primary segments.

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

Secondary Segmental Information

(₹ in '000)

Particulars	India		Rest of world		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment Sales	4,65,388	4,63,092	3,31,900	3,13,240	7,97,288	7,76,332
Segment Assets	2,03,607	1,75,701	87,587	83,035	2,91,194	2,58,736

38. "Related Party Disclosure" for the year ended 31st March, 2014 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

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

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

Notes on Financial Statements for the year ended 31st March, 2014



(ii) Transactions during the year with related parties:

(₹ in '000)

Sr. No.	Nature of Transactions	Joint Venture	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence
1.	Equity Shares	8,000	-	-	-	-
		-	-	-	-	-
2.	Job Work Income (refer note iii below)	870 (213)	28 (59)	- -	- -	- -
3.	Rent Received	-	404 (404)	- -	- -	- -
4.	Job Work Expense (refer note iii below)	-	2,227 (1,450)	- -	- -	- -
5.	Goods Sold (refer note iii below)	22 (12)	153 (5)	- -	- -	- -
6.	Goods Purchased (refer note iii below)	399 (2,406)	3,841 (4,141)	- -	- -	- -
7.	Advance for RM Purchase	-	- (200)	- -	- -	- -
8.	Reimbursement of Expenses(Net)	295 (34)	196 (3)	- -	- -	- -
9.	Managerial Remuneration	-	-	23,089 (22,943)	-	- -
10.	Remuneration in pursuant to Section 314 of the Companies Act 1956 for holding an office or place of profit.	-	-	-	4,190 (3,253)	- -
11.	Rent Paid	-	-	-	-	4,114 (4,483)
12.	Unsecured Loans					
	i) Taken					71,550 (3,708)
	ii) Repaid					13,065 (35,251)
13.	Finance Costs	-	-	-	-	3,072 (3,827)

Balances as at 31st March 2014

14.	Investments	19,895 (11,895)	1,53,428 (1,53,428)	- -	- -	- -
15.	Security Deposits	-	-	-	-	1,350 (1,350)
16.	Unsecured Loans	-	-	-	-	64,731 (6,246)

Figures in () indicate previous year's figures.



Notes on Financial Statements for the year ended 31st March, 2014



- iii) The Company has entered into transactions with the related parties in terms of provisions of section 297 of the Companies Act, 1956 and in terms of the approval accorded by Ministry of Corporate Affairs, Government of India, in this regard.

39. Disclosure in respect of Associate(s)

Name of Company	Country of Incorporation	% of Voting power held as at	
		31st March, 2014	31st March 2013
Shivalik Bimetal Engineers Pvt. Ltd.	India	45%	45%
Innovative Clad Solutions Pvt. Ltd.	India	19.33%	20.96%

40. Disclosure in respect of Joint Venture

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

(₹ in '000)

Name of Company	% of shareholding	Amount of Interest based on accounts for the year ended 31st March 2014 (Unaudited)					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital commitments
Checon Shivalik Contact Solutions Pvt. Ltd.	50%	72,433	72,433	51,802	56,858	150	-
(Previous Year) Audited	50%	(50,242)	(50,242)	(20,143)	(26,283)	(150)	-



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.



PROXY FORM

SHIVALIK BIMETAL CONTROLS LIMITED

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

CIN: L27101HP1984PLC005862

Name of the member (s):

Registered Address:

..... E-mail ID:

Folio No. / Client Id: DP ID:.....

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

1. Name : Address :

Email Id : Signature :

2. Name : Address :

Email Id : Signature :

3. Name : Address :

Email Id : Signature :

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Thursday, the 25th September, 2014, at Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan -173213 (H.P.) at 10.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....

2.....

3.....

4.....

5.....

6.....

7.....

8.....

9.....

10.....

Signed this day of 2014

Signature of Shareholder:

Signature of Proxy holder (s) :

Affix a
Revenue
Stamp of
Rs. 1.00

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



If Undelivered please return to:

SHIVALIK BIMETAL CONTROLS LIMITED

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