

29th
ANNUAL
REPORT
2012-13



SHIVALIK BIMETAL
CONTROLS LIMITED



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 (Retd.), Additional Director
Capt. Jitender Singh Mann (Retd.), Additional Director

Company Secretary : Mr. Ram Pravesh

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

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

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

Bankers : Indian Bank

Registrar & Share Transfer Agent : M/s MAS Services Ltd.
T – 34, IInd Floor,
Okhla Industrial Area, Phase – II,
New Delhi-110020,
Tel No.: (91) (11) 26387281, 26387282, 62387283
Fax: (91) (11) 26387384
Email: info@masserv.com

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



NOTICE TO THE MEMBERS

NOTICE is hereby given that the 29th Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Friday, the 27th day of September, 2013 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, 2013, 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. Rohit Kapur, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Nirmaljeet Singh Gill, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, and / or any statutory modification or re- enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the re-appointment of Mr. S. S. Sandhu as Chairman and Whole-time Director of the Company for a period of five years w.e.f. 1st August, 2013, at a remuneration, perquisites and other terms and conditions as already approved by the shareholders at their 27th Annual General Meeting held on 28th September, 2011, within the limits as sanctioned by the Central Government vide letter No. B24043804/1/2011-CL.VII dated 1st May, 2012.”

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

“RESOLVED THAT Capt. Jitender Singh Mann (Retd.), who was appointed as an Additional Director with effect from 8th August, 2013 on the Board of the Company in terms of Section 260 of the Companies Act, 1956, and other applicable provisions and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Independent Non-executive Director of the Company, and his period of office shall be liable to retire by rotation.”

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

“RESOLVED THAT Lieutenant General Pradeep Khanna (Retd.), who was appointed as an Additional Director with effect from 8th August, 2013 on the Board of the Company in terms of Section 260 of the Companies Act, 1956, and other applicable provisions and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Independent Non-executive Director of the Company, and his period of office shall be liable to retire by rotation.”

Place : New Delhi
Date : August 08, 2013

By order of the Board
For SHIVALIK BIMETAL CONTROLS LIMITED

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

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

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. A proxy shall not have any right to speak at the meeting and shall not vote except on a poll.
2. The instrument appointing the proxy to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting.
3. 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 23.09.2013 to 27.09.2013 (both days inclusive) for the purpose of Annual General Meeting.
5. Members holding shares in physical form are advised to send all the requests regarding share transfer and correspondence in relation to share matters to the Company's Registrar and Share Transfer Agent (RTA) at the following address:

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

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

6. Members desirous of obtaining any information relating to accounts and operations of the Company may address their queries / questions to the Company's Head Office, so as to reach at least five days before the date of the meeting so that the information may be made available at the meeting to the best extent possible.
7. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
8. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless Compliances by the Companies and has issued circular stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to provide / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants or send an e-mail at info@masserv.com or investor@shivalikbimetals.com to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to intimate their e-mail address to MAS Services Limited either by e-mail at info@masserv.com or investor@shivalikbimetals.com or by sending a communication at the Registered Office or Head Office of the Company or at the address mentioned below:

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

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

ITEM NO. 5

Mr. S. S. Sandhu was re-appointed as Chairman and Whole-time Director of the Company w.e.f. 1st August, 2013, for a period of five years. Keeping in view his contribution for the growth of the business of the Company in future, the Board of Directors in their meeting held on 29th May, 2013, decided to re-appoint the Chairman and Whole-time Director for another term of five years effective from 1st August, 2013, at a remuneration, perquisites and other terms and conditions as already approved by the shareholders at their 27th Annual General Meeting held on 28th September, 2011 and within the limits as sanctioned by the Central Government vide letter No. B24043804/1/2011-CL.VII dated 1st May, 2012.

The Board recommends the resolution to be passed by the Shareholders as per the requirements of the Companies Act, 1956.

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

Capt. Jitender Singh Mann (Retd.) was appointed as an Additional Director by the Board of Director w.e.f. 8th August, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956 and other applicable provisions. Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company along with the requisite deposit in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Capt. Jitender Singh Mann (Retd.) on the Board is desirable and would be beneficial to the company and hence recommends the appointment of Capt. Jitender Singh Mann (Retd.) as Independent Non-executive Director of the Company, whose period of office shall be liable to retire by rotation.

None of the Directors, except Capt. Jitender Singh Mann (Retd.) is concerned or interested in the proposed resolution.

The Board recommends resolutions under Item No. 6 to be passed as ordinary resolution.

ITEM NO. 7

Lieutenant General Pradeep Khanna (Retd.) was appointed as an Additional Director by the Board of Director w.e.f. 8th August, 2013 in accordance with the provisions of Section 260 of the Companies Act, 1956 and other applicable provisions. Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company along with the requisite deposit in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Lieutenant General Pradeep Khanna (Retd.) on the Board is desirable and would be beneficial to the company and hence recommends the appointment of Lieutenant General Pradeep Khanna (Retd.) as Independent Non-executive Director of the Company, whose period of office shall be liable to retire by rotation.



None of the Directors, except Lieutenant General Pradeep Khanna (Retd.) is concerned or interested in the proposed resolution.

The Board recommends resolutions under Item No. 7 to be passed as ordinary resolution.

Place : New Delhi
Date : August 08, 2013

By order of the Board
For SHIVALIK BIMETAL CONTROLS LIMITED

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

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

**DISCLOSURE PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT WITH REGARD
 TO THE DIRECTORS SEEKING RE-APPOINTMENT AT
 THE FORTHCOMING ANNUAL GENERAL MEETING
 (REFER ITEM NOS. 2,3,5,6 & 7 OF NOTICE)**

Name of Director	Brief resume and nature of expertise in functional areas	List of Directorships / Committees memberships as on 31st March, 2013 in other Companies
Mr. Rohit Kapur	Mr. Rohit Kapur is a qualified B.Com. (Hons.) and has rich experience in processing industry and other related fields. He is on the Board of the Company since the year 2000 as non-executive and Independent Director of the Company. Since he has been in business for the last 35 years and accordingly well aware of intricacies of carrying on business, as such he provides useful guidance to the Company on critical issues	NIL
Mr. Nirmaljeet Singh Gill	Mr. Nirmaljeet Singh Gill is a Businessman and joined the Board in the year 2003 as Non-executive and Independent Director of the Company. He is a member of Association of Accounting Technicians, London. Mr. Gill served as Finance Director with M/s Amita Affiliates Ltd., London for 5 years. Since he has been in business for the last 40 years and accordingly well aware of intricacies of carrying on business, as such he provides useful guidance to the Company on critical issues.	1
Mr. S. S. Sandhu	Mr. S. S. Sandhu is a two years BA (Pass). He was appointed as a Director of 'Shivalik Bimetal Controls Limited' in July, 1984. He is one of the Promoter Directors of the Company and at present, is a Whole-time Director and Executive Chairman of the Company. He has over 40 years experience in Construction and electronics industry. He is responsible for corporate secretarial, legal, finance and managerial functions of the Company. He is also looking after all the commercial (domestic and international), financial and administrative functions of the Company as well as its JV's and Associates. Mr. S. S. Sandhu with his vast experience has developed good understanding of the business of the Company. Under his exceptional understanding of the business principles, the Company is continuously expanding its aspirations. He is the able administrator and leader of high caliber and is the key instrumental for diversifying the company in many fields and to reach at this level.	10

Capt. Jitender Singh Mann (Retd.)	Capt. Jitender Singh Mann (Retd.) was born on 12th May, 1963 is an ex army officer, retired as Captain from the Indian army; Artillery – (1986~1993) Part of regiment: 90 Field Regiment. He is a Graduate in BA (Honors) English from University of Delhi, Kirori Mal College. Presently, he is a Managing Director of Delhi Public School, Sonapat (Haryana) since the year 2005, Dealer, 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
Lieutenant General Pradeep Khanna (Retd.)	Lieutenant General Pradeep Khanna (Retd.) was born on 7th February, 1951 and having educational qualification of Defence Services Staff Collage Course (MSc in Defence Studies), Higher Command Course (HC-22), Royal Collage of Defence Studies (RCDS), united Kindgom. He was superannuated as General Officer Commanding-in-Chief, Southern Command, Pune on 28th February, 2011. He has been awarded Param Vishisht Seva Medal, Ati Vishisht Seva Medal, Vishisht Seva Medal and Aid-De-Camp during his service tenure in Indian Military.	NIL



DIRECTORS' REPORT



Dear Members,

Your Directors are pleased to present the 29th Annual Report and the Audited Accounts of the Company for the financial year ended 31st March, 2013.

SUMMARISED FINANCIAL RESULTS:

	YEAR 2012-13 (₹ in Lacs)	YEAR 2011-12 (₹ in Lacs)
Sales & Other income	8405.74	8,454.36
Exceptional Income (Net of Expenses)	50.54	306.85
Total Sales & Exceptional Income	8456.28	8,761.21
Operating Expenditure	7677.80	7,796.97
PBDIT	778.48	964.24
Finance Charges	360.95	373.16
Depreciation	233.85	216.21
PBT	183.68	374.87
Provision for Taxes	65.05	111.43
PAT	118.63	263.45
Balance brought forward from Previous Year	2600.23	2,436.78
Balance available for Appropriation	2718.86	2,700.23
Appropriations:		
General Reserve	-	100.00
Balance carried to Balance Sheet	2718.86	2600.23
Earning per Equity Share (Basic / Diluted) (₹ per Equity Share)	0.62	1.37

PERFORMANCE

Your Company has achieved Sales and other income of ₹ 8405.74 Lacs during the FY 2012-13 as compared to ₹ 8,454.36 Lacs in aggregate during the FY 2011-12 thus almost maintaining the same level of gross revenue generation in spite of the Company registering a significant fall in the sale of Colour Picture Tube parts (CPT parts) by approx. 29.19% i.e., from ₹ 1,121.77 Lakhs in FY 2011-12 to ₹ 794.34 Lakhs in FY 2012-13.

With the change in technology prevailing in the TV Industry, the sale of parts for Color Picture Tubes (CPT parts) has been decreasing year on year and is on its way out, sooner than later. As reported last year also your Directors are fully aware of the challenge and have taken all steps, whatever were required to ensure that not only the Gross value of sales are sustained but the same move upwards.

With the object of making-up for the shortfall in gross quantum of sales due to fall in CPT parts sale AND also to look for overall growth of the Company, your Directors made concerted efforts to make inroads into untouched areas of Bimetal/ Trimetal market and made thrust into shunt market amongst others and are pleased to inform you that there has been a noticeable growth in the targeted areas which is exhibited in the sustained figures of Gross revenue during 2012-13 vis -a- vis 2011-12.

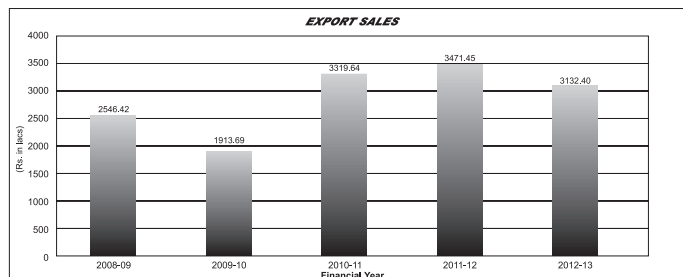
Your Directors foresee a positive outlook of your Company in terms of quantum & value.

Though PBT during the FY 2012-13 is stated at less than that during the FY 2011-12 by ₹ 191.19 Lakhs, however the operational results (i.e., excluding the exceptional income) during the FY 2012-13 in fact, are better than those during FY 2011-12. The results would have still been better but for increased costs borne by the Company due to volatility of Foreign currency and the increased staff costs.

EXPORTS

Global recession has effected every Industry engaged in Exports from India as in some cases the effect has been significant while in others the effect has been less. During the FY 2012-13 as compared to immediately preceding previous year, the shortfall in Exports of your Company has been to the extent of 9.77%, only (your Company's Exports during FY 12-13 were ₹ 3132.40 Lacs as compared to ₹ 3471.45 Lacs during F.Y. year 2011-12).

The performance of your Company on Exports front during last Five years has been, as under.



Your Directors would continue to make efforts to boost Exports, in coming years.

EXPANSION

Your directors had reported in the previous annual report, that the 'UNIT-IV' shall be fully operational on the land purchased by the company at Kandaghat, Distt. Solan, HP on the Kalka-Shimla Highway. However due to the Notification issued by National Highway Authority of India (NHAI) proposing acquisition of the part of the Company's Land for road widening which is affecting the approach road to proposed factory building, the Town & Country planning department, HP has not granted approval for the factory building plans, therefore, the proposed construction of the factory building has been deferred. The company is reviewing various alternatives before it, as this development has impacted the schedule of setting up of Unit- IV.

RIGHTS ISSUE

During the year under review, your company had taken decision to come up with Rights Issue to meet the funds requirement in connection with the Co.'s expansion program including the setting up of Unit-IV. For the said purpose, the shareholders of the Company had given their consent at the Extra-ordinary General Meeting held on 7th January, 2013 with respect to:-

1. increase the Authorised Share Capital from Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs) equity shares of Rs. 2/- (Rupees Two) each to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 7,50,00,000 (Seven Crores Fifty Lacs) equity shares of Rs. 2/- (Rupees Two) each.
2. offer and issue, equity shares, with or without detachable warrants, (the "Rights issue") for an amount not exceeding Rs. 20 crores (Rupees twenty crores), excluding warrants, if any, for cash to the existing shareholders of the Company.

Your Directors wish to inform that Company has obtained In-principal approval from Bombay Stock Exchange Limited (BSE) in respect of proposed Rights Issue vide BSE's Letter No. DCS/PREF/LP-RT/905/12-13 dated 6th March, 2013 and also obtained Securities Exchange Board of India (SEBI) approval on a 'Draft letter of Offer' to the proposed Rights Issue vide SEBI's Letter No. CFD/DIL/Shivalik Bimetal/5747/2013 dated 20th May, 2013 addressed to SPA Capital Advisors Limited, Merchant Bankers to the issue.

However due to delay in setting up of Unit IV which has essentially been caused by the referred Notification of NHAI, the proposed Rights Issue has been deferred.



TRANSFER TO RESERVES

The Company proposes not to transfer in the General Reserve out of the amount available for appropriations and an amount of ₹ 2718.86 Lacs is proposed to be retained in the Profit & Loss Account.

JOINT VENTURE & ASSOCIATES

CHECON SHIVALIK CONTACT SOLUTIONS PRIVATE LIMITED, CSCS

As reported by your directors in the last reports, your Company has 50% share in the Joint Venture Company namely Checon Shivalik Contact Solutions Private Limited (CSCS). CSCS has achieved Sales and other income of ₹ 402.86 Lacs during the financial year 2012-13 as compared to ₹ 909.78 Lacs during the financial year 2011-12. There has been Company's all out efforts and concentration on transformation of the Company into acquiring the capabilities and capacities to manufacture/produce wide range of products with broad based customers and to a great extent the Company's efforts have been fruitful and are producing desired results. This is substantiated by the fact that from being a single product and essentially one Customer situation till the last year, presently the Company is producing/marketing a no. of products with wide range of applications and to around 35 no. of customers.

The Silver Inlay products, for which the machineries were installed last year, are under development /testing by few major customers like Legrand, Siemens, Havells etc. and the Joint Venture Company is expecting positive growth during the current financial year.

The Investment of your Company in CSCS as on 31.03.13 stands at ₹ 118.95 Lacs (previous year ₹ 118.95 Lacs). Further the company has infused a sum of Rs.60 lacs as equity during current financial year, after the balance sheet date.

INNOVATIVE CLAD SOLUTIONS PRIVATE LIMITED, ICS

ICS, the Associate Company has achieved Sales and other income of ₹ 970.47 Lacs during the financial year 2012-13 as compared to ₹ 474.97 Lacs during the financial year 2011-12. After stabilization of manufacturing operations, the products of the company are gearing up for enhanced acceptance by more number of Customers which would ensure increased sales in the coming years.

The Company's turnover during Quarter ended June, 2013 has been ₹ 616 Lacs and the projections for current financial year are indicating a definite positive trend towards achievement of its goals.

The Investment of your Company in ICS as on 31.03.2013 stands at ₹ 1512.00 Lacs (previous year ₹ 1512.00 Lacs).

SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED, SBEPL

SBEPL, the Associate Company has achieved Sales and other income of ₹ 61.27 Lacs during the financial year 2012-13 as compared to ₹ 60.26 Lacs during the financial year 2011-12. The Company has earned profit before tax of ₹ 2.97 Lacs during the year under review as compared to loss of ₹ 0.37 Lacs during the previous year.

The Dies and Tools manufacturing facilities set up by SBEPL, the Associate Company during the last year, in Solan, Himachal Pradesh are fully operational.

The Investment of your Company in SBEPL as on 31.03.2013 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.



ORGANISATION AND COLLEAGUE

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

DIRECTORS

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

Subject to the approval of the Members in the forthcoming Annual General Meeting, and pursuant to the provisions of Sections 198, 269, 309 & other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, Mr. S. S. Sandhu was re-appointed as Chairman and Whole-time Director of the Company for a period of five years w.e.f. 1st August, 2013, at a remuneration, perquisites and other terms and conditions as already approved by the shareholders at their 27th Annual General Meeting held on 28th September, 2011, within the limits as sanctioned by the Central Government vide letter No. B24043804/1/2011-CL.VII dated 1st May, 2012.

Capt. Jitender Singh Mann (Retd.) and Lieutenant General Pradeep Khanna (Retd.), were appointed as Additional Directors of the Company with effect from 8th August, 2013 and hold office up to the date of ensuing Annual General Meeting. They are being eligible and have offered themselves for re-appointment as Independent Non-executive Director of the Company and their period of office shall be liable to retire by rotation.

During the year under review, Mr. S. C. Verma, Mr. Anil K. Sud and Mr. G. C. Prabhu have resigned from the directorship of the Company and ceased to be the Directors of the Company w.e.f. 7th January, 2013. The Board expresses its sincere thanks to them for their valuable contribution made towards the company as a Director.

CORPORATE GOVERNANCE

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the financial year 2012-13, the applicable accounting standards read



with requirements set out in Schedule VI to the Companies Act, 1956 have been followed and there are no material departures from the same;

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, 2013 and of the Profit of the Company for the year ended 31st March, 2013;
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 and ;
4. the annual accounts have been prepared on a 'going-concern' basis.

AUDITORS

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

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 has been appointed as Cost Compliance Auditor of the Company for the Financial Year 2012-13 to conduct the cost compliance.

COST AUDIT

Pursuant to the provisions of Section 233B of the Companies Act, 1956, the Central Government vide notification No. 52/26/CAB-2010 dated 6th November, 2012 has prescribed Cost Audit for the Company. Based on the recommendation of the Audit Committee and subject to the consent of the Central Government, if required, Mr. Ramawatar Sunar, Cost Accountant has been appointed as Cost Auditor of the Company for the Financial Year 2013-14 to conduct the audit of cost records of the Company.

ISO 18001:2007 AND ISO 14001:2004 CERTIFICATIONS:

Shivalik Bimetal Controls Ltd has received an ISO 14001 & 18001 Certifications.

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. It improves the organization's bottom line through improved environmental performance as it drives more productive use of all inputs, including raw materials, energy, labour and reduces the energy consumption, material storage cost, emissions, discharges, waste handling, transport and disposal.

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. This certification enables the company to classify any risk, gauge the risk and then put procedures in place in order to minimize and control this risk. Going through this process is likely to make all employees more aware of health and safety in general.

COMPOUNDING UNDER SECTION 621A READ WITH SECTION 297 OF THE COMPANIES ACT, 1956 FROM COMPANY LAW BOARD, NORTHERN REGION:

Yours Directors wish to inform that Company had entered into transactions covered under Section 297 of the Companies Act, 1956 with JV and Associate Companies in the previous years without the prior approval of the Central Government



under the perception that the Directors of your Company are nominee directors in the JV and Associate Companies, since a Company as a partner in any other Company can not function on its own and it requires some individuals to represent the Company and to do all acts and deeds on behalf of the Company. In such a situation the directors so nominated/appointed have no right, whatsoever in their individual/personal capacity. As such, the beneficiary interests are that of the JV Partners/ Shareholders / Corporates and not that of the directors. Further, the said transactions are entered only at prevailing market prices on arm's length basis and as per prevailing trade practices only.

However, notwithstanding Company's perception of the prevailing situation, the Company complied the directions of Regional Director and filed a compounding application thereof u/s 621A of the Companies Act, 1956 and the same has been determined by the Company Law Board, Northern Region upto Financial Year 2012-13 vide their order No. 16/35/2013-CLB dated 23rd July, 2013.

Now, after compounding u/s 621A of the Companies Act, 1956, Company has applied for prior approval of the Central Government for entering into transactions covered u/s 297 between 'SHIVALIK' and 'JV & Associate Companies' w.r.t. sale / purchase of goods/ Job work at the prevailing market prices for the F.Y's 2013-14 (part of the year), 2014-15 & 2015-16 and the applications are pending for approval.

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, 2013 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, IInd Floor,

Okhla Industrial Area, Phase – II,

New Delhi-110020

ACKNOWLEDGEMENTS

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

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

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

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

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

For and on behalf of the Board of Directors

Place : New Delhi

Date : August 08, 2013

Sd/-
(S. S. SANDHU)
CHAIRMAN



ANNEXURE TO THE DIRECTORS' REPORT



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

A. Conservation of Energy

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

Energy conservation measures taken:

Energy conservation during the financial year 2012-13 has accrued as a result of the following steps taken at the factory premises of the Company:

- 1) Sealing of Annealing Furnaces was carried out. (This reduces the time taken by the Furnace to attain a particular temperature thereby reducing the Heating Time. Reduced Heating Time leads to less Electrical Consumption.
- 2) Exhaust System of DG sets have been improved, which reduces the Back Pressure resulting in better working of DG Sets with better Fuel Consumption.
- 3) Roof Extractors has been mounted on roofs to remove the exhaust Gases / Fumes. Roof Extractors work without consuming any Electrical Energy.
- 4) Operators / Engineers are made aware about the advantages of consuming less Electricity by providing them Awareness Training from External bodies.
- 5) For Awareness purpose, Stickers instructing the Employees to turn off all electrical switches for Fans / Lights when they are not in use have been pasted at all locations.

B. Technology Absorption

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

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

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

RECOGNISED IN-HOUSE R&D UNIT

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

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

Research & Development (R&D)

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

- Tool for making of Induction Base Plate has been successfully developed.
- In-house manufacturing of bonding rolls has been started.
- The TVP Solar project is under progress. The customer has appreciated the initial samples received from Shivalik.
- Surface Mounted High Precision Resistors have been successfully developed.
- Process Modifications has been carried out for Disc Grade material.

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

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

iii) Future plan of action:

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

iv) Expenditure on R&D:

a. Recurring	₹14.49 Lacs
b. Capital	₹ Nil
Total	₹14.49 Lacs
c. Total R&D expenditure as a percentage of total turnover:	0.17 %

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	₹ 3142.97 Lacs
Expenditure in Foreign currency	₹ 3213.41 Lacs
Expenditure in Foreign currency on Capex	₹ 38.75 Lacs

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

The global economic environment in financial year 2012-13 continued to remain uncertain with signs of concern and slow growth. Economic growth rate slowed to around 5.0% for the 2012–13 fiscal year compared with 6.2% in the previous fiscal. It is to be noted that India’s GDP grew by an astounding 9.3% in 2010–11. Thus, the growth rate has nearly halved in just three years. GDP growth went up marginally to 4.8% during the quarter through March 2013, from about 4.7% in the previous quarter. The government has forecasted a growth of 6.1%-6.7% for the year 2013-14, whilst the RBI expects the same to be at 5.7%.

IEEMA, which is the apex association of manufacturers of electrical, industrial electronics and allied equipment, said the industry had clocked a growth of 6.6% in FY11/12 and was facing massive project execution delays, mostly by the state-run transmission and distribution companies and an unprecedented credit squeeze due to economic slowdown.

India’s local electrical equipment makers have witnessed the most challenging times in the \$25 billion industry registering a negative growth of 8% due to sluggish demand and higher imports for FY 12/13, for the first time in 10 years and in absence of any protective policy measures, according to the annual industry data released by the Indian Electrical and Electronics Manufacturers’ Association (IEEMA).

Slackening demand in the power sector, continuous rise in imports of electrical equipment, especially China and South Korea and an absence of a level playing field is threatening the existence of the Indian players. The imports of electrical equipment has grown more than 20% in the last fiscal, thus eating into the domestic manufacturer’s pie.

2. Opportunities & Threats

In view of various macro economic factors like slower GDP, fluctuations in foreign currency and depressed Industry Production Growth Rates, the industry was passing through a challenging phase during 2012-13 also.

Your Company is facing a risk of loss due to fluctuations in the foreign currency market. Company has a prime and challenging task of managing its foreign currency policy, because of high volatility and lot of uncertainties in foreign currency market. Your Company is planning to mitigate the risk of foreign exchange fluctuation through the mechanism of natural hedging.

Slow economic growth of our Country and Strong development of International market, (particularly, China and Korea markets, which are growing very rapidly), placed very stiff competition to the domestic industry. Your Company has been 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. The Company’s focus on achieving stable growth, strong execution, cash flow maximization, increasing productivity, keeping costs under control, implementing various cost reduction plans and world class quality controls continued and strengthened in FY 2013. Your Company is hopeful of sustaining its growth in sales during the current year.

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. Improving consumer confidence and structural policy decisions in the developed markets are providing the required momentum to kick-start the economy on to the path of recovery.

3. Future Outlook

As you know, the economy is still trying to bounce back from the recession. Most predictions suggest a relatively steady, but still modest, level of economic growth for the year. The government has forecasted a growth of 6.1%-6.7% for the year 2013-14, whilst the RBI expects the same to be at 5.7%. The overall investor sentiment has been poor on account of continuing delays from Government in ensuring timely project clearances and availability of funds for the various infrastructure projects. While announcement of measures to reign in the fiscal and current account deficits have been made, it would take a lot more effort on the part of the Government, for the growth momentum in the Indian Economy to improve in the short to medium term.

In spite of that your Directors are optimistic about the industry's future. Company is 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, 2013 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, 2013 is 0.78 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 2012-13 is ₹ 360.95 Lacs as compared to ₹ 373.16 Lacs in the previous year, as such there is decrease by 3.27 % in the current financial year over the previous financial year.

Turnover : The Company's turnover (Net of Excise) has decreased from ₹ 7944.34 Lacs to ₹ 7763.32 Lacs, there is a decrease of 2.28 % over the previous year.

Net Profit : Net profit available for appropriation for the year 2012-13 stood at ₹ 118.63 Lacs as compared to ₹ 263.45 Lacs in the previous year.

Earnings Per Share (EPS) : The Company's Earnings Per Share (EPS) during the current year is ₹ 0.62 (₹ 1.37 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. The macro concerns which could significantly impact industry performance during the year are inflation, fiscal deficit, high interest rates, growing competition, industry downturn, fluctuation in the market segment in which it operates, the relative higher exposure to Foreign Exchange fluctuations because of substantial imports and exports.



MANAGEMENT DISCUSSION AND ANALYSIS

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 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. At the specific transaction level, internal control refers to the actions taken to achieve a specific objective. Internal control procedures reduce process variation, leading to more predictable outcomes and designed to help the organization accomplish specific goals or objectives. It is a means by which Company resources are directed, monitored, and measured. 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 an Internal Audit department and has also appointed duly qualified and experienced external auditors to review various areas of the operations of the Company. Regular internal audits and checks are carried out to provide assurance that the responsibilities at various levels are discharged effectively and that adequate systems are in existence. The reports of Internal Auditors are reviewed by the Management and also placed before the Audit Committee of the Directors. The Statutory Auditors also review the finding with management and Audit Committee.

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 2012-13)



ANNEXURE "B"

REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2012-13

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. Governance provides the structure through which companies set and pursue their objectives, while reflecting the context of the social, regulatory and market environment. Governance is a mechanism for monitoring the actions, policies and decisions of corporations. Governance involves the alignment of interests among the stakeholders.

The corporate governance framework consists of :- (1) explicit and implicit contracts between the company and the stakeholders for distribution of responsibilities, rights, and rewards, (2) procedures for reconciling the sometimes conflicting interests of stakeholders in accordance with their duties, privileges, and roles, and (3) procedures for proper supervision, control, and information-flows to serve as a system of checks-and-balances.

1. Company's Philosophy on code of Corporate Governance

'SHIVALIK' 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
- Maximizing long term shareholders' value
- Socially valued enterprise and
- Caring for people and environment.

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. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practised by its entire management cadre.

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 combination of executive and non-executive directors. 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, 2013, was Six Directors as detailed herein below:



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2012-13)



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

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

Mr. S. C. Verma, Mr. Anil K. Sud and Mr. G. C. Prabhu have resigned from the directorship of the Company w.e.f. 7th January, 2013.

The followings were appointed as Additional Directors w.e.f. 8th August, 2013

S. No.	Name	Designation	Category (Whole time/ Non-Executive/ Independent)
1.	Lt. Gen. Pradeep Khanna (Retd.)	Additional Director	Independent
2.	Capt. Jitender Singh Mann (Retd.)	Additional Director	Independent

Capt. Jitender Singh Mann (Retd.) and Lieutenant General Pradeep Khanna (Retd.), were appointed as Additional Directors of the Company with effect from 8th August, 2013 and hold office upto the date of ensuing Annual General Meeting. They are being eligible, have offered themselves for re-appointment as an Independent Non-executive Director of the Company and their period of office shall be liable to retire by rotation.

Company is also in process to select one more Non-executive and Independent Director, whose period of office shall be liable to retire by rotation.

3. Board Meetings, its Committee Meetings and Procedures

3.1 Board Meetings

During the financial year 2012-2013, seven Board Meetings were held on 28th May, 2012, 9th August, 2012, 1st November, 2012, 10th December, 2012, 7th January, 2013, 14th January, 2013 and 11th February, 2013.

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 7 Meetings held during the year 2012-2013	Last AGM held on 26th September, 2012 (Attended – Yes / No)
Whole time Directors		
Mr. S. S. Sandhu	7	Y
Mr. N. S. Ghumman	7	Y
Mr. D. J. S. Sandhu	6	N
Independent / Non-Executive Directors		
Mr. S. C. Verma	5	N
Mr. G. S. Gill	NIL	N
Mr. Anil K. Sud	3	Y
Mr. Rohit Kapur	3	N
Mr. Nirmaljeet Singh Gill	NIL	N
Mr. G. C. Prabhu	1	N



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2012-13)



4. Number of Directorship on the Board of Other Companies as on 31.03.2013

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, 2013, 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 31.03.2013

(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/-	3,161/-	80,42,441/-
2.	Mr. N. S. Ghumman	Mg. Dir.	74,78,400/-	5,60,880/-	9,662/-	80,48,942/-
3.	Mr. D. J. S. Sandhu	Dy. Mg. Dir.	63,36,000/-	4,75,200/-	40,521/-	68,51,721/-

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

5.2 Remuneration/ Professional Fee paid to Non-Executive / Independent Directors during the year ended 31.03.2013

(in Rupees)

S. No.	Name	Designation	Fee for Professional Management Services
1.	Mr. G. C. Prabhu	Director	3,75,000/-

5.3 Sitting fee paid to Non-Executive / Independent Directors during the year ended 31.03.2013

(in Rupees)

S. No.	Name	Designation	Sitting Fees
1.	Mr. S. C. Verma	Director	10,000/-
2.	Mr. Anil K. Sud	Director	6,000/-
3.	Mr. Rohit Kapur	Director	6,000/-
4.	Mr. G. S. Gill	Director	NIL
5.	Mr. Nirmaljeet Singh Gill	Director	NIL
6.	Mr. G. C. Prabhu	Director	2000/-



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2012-13)



6. Board Committees

A. Standing Committees

The Company has the following standing committees of the Board:

(i) Audit Committee

Composition, Name of Chairman and Members

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

However, due to the Resignation of Mr. S. C. Verma and Mr. Anil K. Sud from the directorship of the Company, an Audit Committee has been re-constituted with effect from 7th January, 2013, 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.

Audit Committee Members upto 6th January, 2013

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

Audit Committee Members with effect from 7th January, 2013

S.No.	Name	Designation	Position in Committee
1.	Mr. Nirmaljeet Singh Gill	Director	Chairman
2.	Mr. Rohit Kapur	Director	Member
3.	Mr. Gurmeet Singh Gill	Director	Member

Objective :

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

Meetings and Attendance during the year :

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

REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2012-13)



During the year under review, four Audit Committee meetings were held on 25th May, 2012, 8th August, 2012, 31st October, 2012 and 8th February, 2013.

Name	Number of meetings held during the year	Number of Meetings attended during the year
Mr. S. C. Verma	4	3
Mr. Anil K Sud	4	3
Mr. Nirmaljeet Singh Gill	4	4
Mr. Gurmeet Singh Gill	4	1
Mr. Rohit Kapur	4	1

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

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

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

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

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointments, reappointment and, if required, replacement or removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- c) Reviewing with management of the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management
 - Qualifications in audit report
 - Significant adjustment arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with Stock Exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the company of material nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.
- d) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2012-13)



- e) Reviewing the adequacy of internal audit function including the structure of internal audit department, staffing and seniority of the officials heading the department, reporting structure coverage and frequency of internal audit.
- f) Discussion with internal auditors any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussions with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i) Reviewing the Company's financial and risk management policies.
- j) To look into the reason for substantial defaults in the payment to the lenders, depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

(ii) Remuneration Committee

Composition, Name of Chairman and Members

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

However, due to the Resignation of Mr. S. C. Verma and Mr. Anil K. Sud from the directorship of the Company, a Remuneration Committee has been re-constituted with effect from 7th January, 2013, comprising 3 independent non-executive directors viz., Mr. Nirmaljeet Singh Gill, Mr. Rohit Kapur and Mr. Gurmeet Singh Gill. The quorum of the Committee is two members.

Remuneration Committee Members upto 6th January, 2013

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

Remuneration Committee Members with effect from 7th January, 2013

S.No.	Name	Designation	Position in Committee
1.	Mr. Nirmaljeet Singh Gill	Director	Chairman
2.	Mr. Rohit Kapur	Director	Member
3.	Mr. Gurmeet Singh Gill	Director	Member

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

The Remuneration Committee has been constituted to recommend / review the remuneration packages of Chairman and Whole-time Director, Managing Director and Deputy Managing Director, other Non-executive Directors and their relatives engaged in the employment of the Company, based on performance and defined



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2012-13)



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 2012-13, there was no meeting of 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. Ghumman. The Committee looks into the transfer and transmission of shares, transposition of names and issue of duplicate share certificates.

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

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

The Board has designated 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 2 meetings on 16.04.2012 and 24.12.2012. All the members were present in the meeting.

Details of queries / complaints received from Shareholders / Investors during the year 2012-13



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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

(iv) Selection Committee

Composition, Name of Chairman and Members

In terms of the provisions of Section 314 of Companies Act 1956, read with Director's Relative (Office or Place of Profit) Rules, 2003, the Board of Directors of the Company had constituted a Selection Committee, comprising of 3 independent non-executive directors viz. Mr. S. C. Verma, Mr. Anil K. Sud and Mr. Nirmaljeet Singh Gill and Mr. N. P. Sahni, an expert in the respective field from outside the Company. During the year under review, there was no meeting of Selection Committee.

Termination of Selection Committee

There is no requirement of selection committee, therefore, the Board of Directors has terminated the Selection Committee with effect from 7th January, 2013.

7. General Meetings

7.1 Annual General Meetings (AGM)

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

Year	2009-10	2010-11	2011-12
Date	24th September, 2010	28th September, 2011	26th September, 2012
Time	10.00 A.M.	10.00 A.M.	10.00 A.M.
Venue	Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)	Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)	Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)

7.2 Extra-Ordinary General Meeting (EGM)

During the year under review, one Extra-ordinary General Meeting was held on 7th January, 2013.

8. Disclosures

- Details of transactions with related parties has been reported separately in Note No. 39 of Notes on Financial Statement attached with the financial statement for the year ended 31st March, 2013, in accordance with the requirements of Accounting Standard 18 – 'Related Party Disclosures'.
- The Company has complied with the various requirements of the Stock Exchange, SEBI and other statutory authorities on all matters related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by Stock Exchange, SEBI and statutory authority relating to the above.
- The Company had not made any transactions or pecuniary relationships with the non-executive directors and / or their relatives, promoters, management during the year under review that may have potential conflict with the interests of the company.



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9. Means of Communications

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

10. MD/CFO Certification

Managing Director and Chief Financial Officer (CFO) 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	27.09.2013 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, 2013
Second / half yearly	: Latest by mid of November, 2013
Third quarter	: Latest by mid of February, 2014
Fourth quarter	: Latest by end of May, 2014
Annual General Meeting	: Latest by end of September, 2014

11.3 Date of Book Closure : 23.09.2013 to 27.09.2013 (Both days inclusive)

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

11.5 (i) Stock Code : at BSE 513097

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

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

Share Price Movement at BSE

₹ Per Share)			₹ Per Share)		
Month	High	Low	Month	High	Low
April, 2012	13.24	10.05	Oct., 2012	10.25	8.50
May, 2012	13.48	9.53	Nov., 2012	9.46	8.23
June, 2012	11.99	9.25	Dec., 2012	10.10	8.26
July, 2012	10.72	9.00	Jan., 2013	10.15	8.22



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Share Price Movement at BSE

(₹ Per Share)			(₹ Per Share)		
Month	High	Low	Month	High	Low
Aug., 2012	10.29	8.00	Feb., 2013	10.67	6.82
Sep., 2012	9.75	7.54	Mar., 2013	9.23	5.60

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 2013. Trading in equity shares of the Company is permitted only in dematerialised form as per notification issued by the Securities and Exchange Board of India (SEBI).

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



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2012-13)



11.9 Shareholding Pattern as on 31st March, 2013

Category	No. of Shares held	% of total shareholding
Foreign Promoters	-	-
Banks	1,000	0.01 %
Financial Institutions	-	-
Mutual Funds	-	-
Domestic Companies	81,42,850	42.41 %
Non-Domestic Companies	-	-
Non-Resident Indians	1,02,297	0.53 %
Foreign Institutional Investors	-	-
Directors / Relatives of Directors	39,48,000	20.56 %
Individuals / Others	70,07,253	36.49 %
Total	1,92,01,400	100.00 %

11.10 Outstanding GDR / Warrants and convertible instruments

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

11.11 Major Plant / Unit Location(s)

Plant Location

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

Head Office:

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

11.12 Address for correspondence

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

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



REPORT ON CORPORATE GOVERNANCE (FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2012-13)



11.13 Electronic Clearing Service (ECS)

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

11.14 Action required regarding Unclaimed Dividends

Pursuant to Section 205A and 205C of the Act, all unclaimed/unpaid dividend for the years prior to and including a sum of ₹ 137,991/- for the financial year 2004-05 (Final) and ₹ 126,659/- for the financial year 2005-06 (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 2005-06 (Final) and 2006-07 (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*
2005-06 (Final)	September 05, 2006	October 11, 2013
2006-07 (Ist Interim)	January 30, 2007	March 07, 2014
2006-07 (IInd Interim)	April 21, 2007	May 27, 2014
2006-07 (Final)	August 20, 2007	September 25, 2014
2007-08 (Ist Interim)	January 30, 2008	March 6, 2015
2007-08 (IInd Interim)	June 6, 2008	July 11, 2015
2007-08 (Final)	September 30, 2008	November 5, 2015
2008-09 (Interim)	April 28, 2009	June 2, 2016
2008-09 (Final)	September 30, 2009	November 5, 2016
2009-10 (Interim)	May 5, 2010	June 10, 2017
2009-10 (Final)	September 24, 2010	October 30, 2017
2010-11 (Ist Interim)	January 31, 2011	March 7, 2018
2010-11 (IInd Interim)	May 12, 2011	June 17, 2018
2010-11 (Final)	September 28, 2011	November 3, 2018

*Indicative dates and actual dates may vary.

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

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



CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER



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 31.03.2013 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. Ghumman)
Managing Director

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

Place : New Delhi
Dated : August 08, 2013



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE



To

The Shareholders of

SHIVALIK BIMETAL CONTROLS LTD.

We have examined the compliance of conditions of Corporate Governance by **SHIVALIK BIMETAL CONTROLS LTD.** ("the Company"), for the year ended on 31st March, 2013 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

Place : New Delhi
Dated: May 29, 2013

Sd/-
SURESH MALIK
Proprietor
M.No. 080493



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, 2013, 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"). 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. 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, 2013;
- b. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c. In the case of 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.
2. As required by section 227(3) of the Act, we report that:



INDEPENDENT AUDITORS' REPORT



- a. 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;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the 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;
- e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, 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 29, 2013

(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 except inventory comprising of work-in progress. According to the information and explanations given to us, and also keeping in view the nature of the operations of the company, the inventory of work-in-progress can not be verified periodically.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) 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 ₹ 377.90 lakhs and the year-end balance of such loans was ₹ 62.46 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.



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)

- (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.
- 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, 2013 for a period of more than six months from the date they became payable.
- c. According to the information and explanation given to us, there are no dues outstanding of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess on account of any dispute.
- (x) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, banks and debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and the advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit Fund or Nidhi/ mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) The company has furnished Corporate Guarantee to the tune of ₹ 558.00 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, 2013.

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

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

Place : New Delhi
Dated: May 29, 2013



SHIVALIK BIMETAL CONTROLS LIMITED

BALANCE SHEET as at 31st March, 2013



(₹ in '000)

	Note No.	As at 31st March 2013	As at 31st March 2012
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	38,403	38,403
(b) Reserves and surplus	4	488,306	476,443
Non-current liabilities			
(a) Long-term borrowings	5	73,576	115,451
(b) Deferred tax liabilities (Net)	6	20,789	15,789
(c) Other Long term liabilities	7	1,333	4,207
(d) Long-term provisions	8	2,261	1,882
Current liabilities			
(a) Short-term borrowings	9	275,989	332,372
(b) Trade payables	10	71,160	59,306
(c) Other current liabilities	11	106,603	95,658
(d) Short-term provisions	12	34,788	46,198
TOTAL		1,113,208	1,185,709
II. ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	211,848	212,657
(ii) Intangible assets	13	933	1,159
(iii) Capital work-in-progress	13	152,796	134,936
(b) Non-current investments	14	165,523	165,523
(c) Long-term loans and advances	15	9,205	11,965
(d) Other non-current assets	16	90,263	79,998
Current assets			
(a) Current Investments	17	1,612	2,930
(b) Inventories	18	214,736	319,522
(c) Trade receivables	19	184,338	160,222
(d) Cash and cash equivalents	20	3,980	5,085
(e) Short-term loans and advances	21	74,072	87,064
(f) Other current assets	22	3,902	4,648
TOTAL		1,113,208	1,185,709
III. Notes forming part of the Financial Statements 1 to 41			

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 29, 2013



SHIVALIK BIMETAL CONTROLS LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT

for the year ended 31st March, 2013



(₹ in '000, except per share data)			
	Note No.	Year 2012-13	Year 2011-12
I. Revenue from operations	23	782,582	794,708
II. Other income	24	1,294	4,596
III. Total Revenue (I + II)		783,876	799,304
IV. Expenses			
(a) Cost of materials consumed	25	469,836	473,054
(b) Decrease/(Increase) in Stock	26	3,988	13,386
(c) Employee benefits expense	27	85,664	74,406
(d) Finance costs	28	36,095	37,316
(e) Manufacturing and other expense	29	151,594	172,719
(f) Depreciation expense	13	23,385	21,621
Total expenses		770,562	792,502
V. Profit before exceptional and extraordinary items and tax (III-IV)		13,314	6,802
VI. Exceptional items (Income)/Expenses	30	(5,054)	(30,685)
VII. Profit before extraordinary items and tax (V - VI)		18,368	37,487
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		18,368	37,487
X. Tax expense			
(a) Current tax		2,750	17,200
(b) MAT Credit Entitlement		(1,300)	-
(c) Current tax related to previous years		55	851
(d) Deferred tax		5,000	(6,909)
		6,505	11,142
XI. Profit (Loss) for the year (IX-X)		11,863	26,345
XII. Earnings per equity share			
(a) Basic	31	0.62	1.37
(b) Diluted	31	0.62	1.37
XIII. Notes forming part of the Financial Statements	1 to 41		

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 29, 2013



SHIVALIK BIMETAL CONTROLS LIMITED

CASH FLOW STATEMENT for the year ended on 31st March, 2013



(₹ in '000)

	Year ended March 2013	Year ended March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	18,368	37,487
Adjustments for:		
Depreciation	23,385	21,621
Interest Paid	36,095	31,916
Interest Received	(87)	(246)
Amount Written Back	(3,729)	-
Debtors/ Unrecoverable Amount Written Off	1,018	14,887
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss/(gain)	5	(16)
(Profit)/Loss on sale of Fixed Asset	1,140	5,531
Operating Profit before Working Capital changes	76,195	111,180
Adjustment for :		
Trade and other receivables	(22,066)	14,317
Inventories	93,172	(14,030)
Trade Payables	22,261	(62,089)
Loans and Advances	2,396	2,992
Cash generated from operations	171,958	52,370
Direct taxes paid	(1,280)	(14,130)
Cash flow from Ordinary items	170,678	38,240
Net Cash flow from operating Activities	170,678	38,240
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(24,688)	(56,759)
Sale of Fixed Assets	1,197	13,883
Capital Work In Progress	(17,860)	(126,614)
Capital Advance	2,319	5,681
Interest Received	87	246
Long Term Investment	-	(46,000)
Deferred Revenue Expenditure	(1,719)	-
Other Investment	1,317	(946)
Net cash (used in)/ from investing activities	(39,347)	(210,509)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Bank Borrowings	(95,785)	157,675
Term Loan	-	-
Vehicle Loan	(4,548)	(2,502)
Term Loan Paid	5,785	33,012
Unsecured Loan	(3,710)	16,446
Interest Paid	(36,095)	(31,916)
Dividend including Dividend Tax paid	(282)	(9,004)
Net Cash (used in) from financing activities	(134,635)	163,711
NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS	(3,304)	(8,558)
Cash and Cash equivalents as on 1st April, 2012 (Opening Balance)	7,288	15,830
Exchange Difference on translation of foreign currency cash & cash equivalent	(5)	16
Cash and Cash equivalents as on 31st March, 2013 (Closing Balance)	3,979	7,288
Cash and Cash equivalents as on 31st March, 2013 as per books	3,979	7,288

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 29, 2013



SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2013)



1. Company's Overview

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

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

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.

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

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

2.11 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. Forward contracts are fair valued at each reporting date. The resultant gain or loss from these transactions is recognized in the statement of profit and loss. The company records the gain or loss on effective hedges, if any, in the foreign currency fluctuation reserve until the transactions are completed. On completion, the gain or loss is transferred to the statement of profit and loss of that period. To designate a forward contract as an effective hedge, the Management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. Any profit & loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the year.
- c. The company records the gain or loss on effective hedges, if any, in Hedge Reserve until the transaction is complete. In respect of Commodity Hedging transactions, gain/ losses on settlement are recognized in the profit & loss account.

2.13 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.

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, 2013



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 2013	As at 31 st March 2012
Authorised		
Equity Shares of ₹ 2/- each		
7,50,00,000 (Previous Year 2,50,00,000) equity shares	150,000	50,000
Issued, Subscribed and Paid up		
Equity Shares of ₹ 2/- each		
1,92,01,400 (Previous Year 1,92,01,400) equity shares	38,403	38,403
	38,403	38,403

3.1 Reconciliation of Number of Shares

Particulars	Equity Shares (Numbers)	
	As at 31 st March 2013	As at 31 st March 2012
Shares as at beginning of the year	19,201,400	19,201,400
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares as at end of the year	19,201,400	19,201,400

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

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

3.4 Shareholders holding more than 5% shares

Name of Shareholders	As at 31st March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. N. S. Ghumman	1,465,000	7.63	1,465,000	7.63
O D Finance and Investment Pvt. Ltd.	1,419,590	7.39	1,419,590	7.39
Ultra Portfolio Management Pvt. Ltd.	977,380	5.09	977,380	5.09
TSL Holdings Limited	2,790,200	14.53	2,790,200	14.53
Angad Estates Pvt. Ltd.	1,655,000	8.62	1,655,000	8.62



Notes on Financial Statements for the year ended 31st March, 2013



4. Reserves and Surplus

(₹ in '000)

Particulars	As at 31 st March 2013	As at 31 st March 2012
(a) Capital Reserve		
Opening Balance	57	6,420
Add: Transferred during the year	-	-
Less: Transferred to General reserve	-	6,363
	57	57
(b) General Reserve		
Opening Balance	216,363	200,000
Add: Transferred from Profit & Loss Account	-	10,000
Add: Transferred from Capital Reserve	-	6,363
	216,363	216,363
(c) Profit & Loss Account		
Opening balance	260,023	243,678
Add: Profit for the year	11,863	26,345
Amount available for Appropriations	271,886	270,023
Less: Appropriations		
- General Reserve	-	10,000
	271,886	260,023
	488,306	476,443

5. Long Term Borrowings

(₹ in '000)

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Non Current	Current**	Non Current	Current**
Secured				
(a) From Banks*				
Foreign Currency Loan-Buyers' Credit	37,338	37,338	76,740	-
Rupee Loan	35,857	17,524	31,722	23,896
	73,195	54,862	108,462	23,896
(b) From Others	-	-	2,898	1,773
Unsecured				
From Others	381	3,507	4,091	33,901
	73,576	58,369	115,451	59,570

* ₹ 73,195 thousand comprises term loan of ₹ 70,938 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 ₹ 2,257 thousands secured by hypothecation of vehicles.

** Refer Note no. 11(a)



Notes on Financial Statements for the year ended 31st March, 2013



6. Deferred Taxes

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
Deferred Tax Liabilities	15,789	22,698
Depreciation	(826)	-
	<u>14,963</u>	<u>22,698</u>
Deferred Tax Assets		
Depreciation	-	755
Provision for Doubtful Debts	(4,830)	4,830
Employee Benefits	(186)	168
Others	(810)	1,156
	<u>(5,826)</u>	<u>6,909</u>
Deferred Tax Liabilities (Net)	20,789	15,789

7. Other Long term Liabilities

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
(a) Trade Payables	794	3,747
(b) Other Liabilities	539	460
	<u>1,333</u>	<u>4,207</u>

8. Long Term Provisions

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
(a) Provision for employee benefits		
– Unavailed Leave	1,471	1,882
(b) Other Provisions		
– Excise duty on Finished goods	790	-
	<u>2,261</u>	<u>1,882</u>

9. Short Term Borrowings

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
Secured		
Working Capital Loans		
From Banks@		
Foreign Currency Loan	189,523	224,586
Rupee Loan	84,108	107,786
Unsecured		
From Others	2,358	-
	<u>275,989</u>	<u>332,372</u>

@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, 2013



10. Trade Payable

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
Micro, Small and Medium Enterprises#	17	37
Others	71,143	59,269
	71,160	59,306

As required under "Micro, Small and Medium Enterprises Development Act, 2006", the information available with the company relating to amount overdue at the end of the year on account of principal amount due is ₹17000 (Previous year ₹37000) and interest due thereon is Nil (Previous year Nil)

11. Other Current Liabilities

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
(a) Current maturities of long-term debt (refer note no. 5)	58,369	59,570
(b) Interest accrued but not due on borrowings	1,085	2,233
(c) Interest accrued and due on borrowings	559	850
(d) Unclaimed dividends	1,632	1,915
(e) Other Payables		
(i) Statutory Dues	4,244	7,091
(ii) Advance From Customers	12,313	13,638
(iii) Forward Contract liability	17,362	-
(iv) Others	11,039	10,361
	106,603	95,658

12. Short Term provisions

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
(a) Provision for employee benefits		
i) Bonus	1,911	2,021
ii) Unavailed Leave	109	68
(b) Provision for Excise Duty on Finished Goods	1,628	3,614
(c) Taxation	31,140	40,495
	34,788	46,198



Notes on Financial Statements for the year ended 31st March, 2013



13. Non Current Assets- Fixed Assets

		(₹ in '000)												
Fixed Assets	Gross Block						Accumulated Depreciation				Net Block			
	As at 1st April 2012	Additions during the period	Disposals during the period	Revaluations/ (Impairments)	Effect of Foreign Currency Difference	Borrowing Cost Capitalised	Other Adjustments	As at 31st March 2013	As at 1st April 2012	Depreciation charged for the period	Adjustment due to revaluations/ (Impairment)	On disposals	As at 31st March 2013	As at 31st March 2012
(a)	Tangible Assets													
	Leasehold Land	367			-			367	-	-	-	-	367	367
	Freehold Land	-	10,075					10,075	-	-	-	-	10,075	
	Buildings	34,486	353		-			34,839	12,719	1,157	-	-	20,963	21,768
	Plant and Equipment	231,685	7,465		-	494		239,644	108,529	13,923	-	-	117,193	123,156
	Furniture and Fixtures	16,334	2,437	117	-			18,654	5,959	991	-	98	11,802	10,375
	Vehicles	64,738	2,896	3,348	-			64,286	14,752	6,132	-	1,050	44,452	49,985
	Office Equipment	15,379	967	32	-			16,314	8,374	955	-	12	6,997	7,006
	Total (a)	362,989	24,193	3,497	-	494	-	384,179	150,333	23,158	-	1,160	211,848	212,657
(b)	Intangible Assets*													
	Computer software	2,518	-	-	-			2,518	1,358	227			933	1,159
	Total (b)	2,518	-	-	-	-	-	2,518	1,358	227	-	-	933	1,159
	Total (a + b)	365,507	24,193	3,497	-	494	-	386,697	151,692	23,385	-	1,160	212,781	213,816
	Previous year	330,922	54,827	22,174	-	535	1,397	365,507	132,830	21,621		2,760	151,691	198,092
(c)	Capital Work In Progress :													
	-Unit-I													
	Plant & Machinery under Installation												573	896
	Software under Installation												225	225
	Fixture Under Installation												-	163
	-Unit-IV (refer note no.-13.3)												151,998	133,652
	Total												152,796	134,936

* Other than internally generated

13.1 Leasehold Land:

Leasehold Period: 95 years

Leasehold Installment: Nil

13.2 In compliance with the companies (Accounting Standard) amendment Rules, 2009 issued by the Ministry of Corporate Affairs vide Notification no.-G.S.R. 225(E) dated 31st March, 2009 and according to newly inserted paragraph of the Accounting Standard (AS)- 11 " The effect of changes in Foreign Exchange Rates", during the year the company has adjusted ₹ 494 thousands (Previous year ₹995 thousands) to the cost of relevant fixed assets.

13.3 In the previous year the Company had commenced commercial production of cold bonded clad strips and parts from its new Unit (Unit-IV) at Solan (Himachal Pradesh). In line with Applicable Accounting Standard(s) and other statutory provisions, pre-operative expenses till the date of commercial production of unit IV amounting to ₹ 3,430 thousands had been capitalized during the previous year to the carrying cost of fixed assets. The balance sum is appearing under the head Capital work In Progress to be capitalized on the remaining plant and machinery/building as and when completed and put to use , the details are given below:

Capital Work-in-Progress (Unit-IV)

(₹ in '000)

Particulars	As at 31st March 2013		As at 31st March 2012	
Plant & Machinery under installation		98,676		98,676
Building under Construction		7,766		3,661
Expenses Pending Capitalisation (Unit-IV)				
Opening Balance	31,315		374	
Add:				
Transferred from Profit & Loss Account (refer note no. 29)	3,852		14,829	
Interest Capitalized	6,068		14,424	
Exchange Rate Fluctuation	4,321		5,216	
Total	45,556		34,843	
Less:				
Expenses Capitalized during the year	-		3,528	
Closing Balance		45,556		31,315
Total		151,998	73,214	133,652



Notes on Financial Statements for the year ended 31st March, 2013



14. Non Current Investments

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
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		
685,900 shares in Checon Shivalik Contact Solutions Pvt. Limited of ₹10 each (Previous Year 685,900 shares of ₹10/- each)	11,895	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
	165,523	165,523

15. Long term Loans and Advances

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
(a) Capital Advances		
Unsecured, considered good	2,881	5,200
(b) Security Deposits		
Unsecured, considered good		
Balances with Government Authorities	1,044	1,012
Others	1,986	1,940
	3,030	2,952
(c) Other loans and advances		
Unsecured ,Considered good		
Prepaid Expenses	2	22
MAT Credit Entitlement	3,292	3,791
	3,294	3,813
	9,205	11,965

Notes on Financial Statements for the year ended 31st March, 2013



16. Other Non Current Assets

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
(a) Long Term Trade Receivables		
Unsecured		
Considered good	74,398	77,466
Considered Bad and Doubtful	14,885	14,885
	<u>89,283</u>	<u>92,351</u>
Less: i) Provision for doubtful debts	-	14,885
ii) Bad Debts Written Off	14,885	-
	<u>74,398</u>	<u>77,466</u>
(b) Others		
Inventories	14,146	2,532
(c) Miscellaneous Expenditure (To the extent not written off)		
Rights Issue Expenses*	1,719	-
	<u>90,263</u>	<u>79,998</u>

*As part of the exercise for funding of setting up of Company's Unit-IV, the company is proposing to come with "Rights Issue." The Rights Issue expenses incurred relating thereto, till date have been grouped under the head "Miscellaneous Expenditure, to the extent not written off."

17. Current Investments

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
Other Investments (valued at Cost)	1,612	2,930
	<u>1,612</u>	<u>2,930</u>

18. Inventories

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
(a) Raw Materials		
(i) At Store	43,817	77,015
(ii) At Bonded Warehouse	93,845	168,686
(iii) Material in transit	16,304	3,056
	<u>153,966</u>	<u>248,757</u>
(b) Work-in-Process	<u>38,451</u>	<u>34,614</u>
(c) Finished goods		
(i) At Store	15,020	33,018
(ii) Material in transit*	259	-
	<u>15,279</u>	<u>33,018</u>
(d) Stores, Spares and Packing Material	<u>6,895</u>	<u>3,116</u>
(e) Scrap	<u>145</u>	<u>17</u>
	<u>214,736</u>	<u>319,522</u>

*Net of Unrealised Profit



Notes on Financial Statements for the year ended 31st March, 2013



19. Trade Receivables

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
Trade Receivables (Unsecured and Considered Good)		
(a) Over six months from the date they were due for payment	234	508
(b) Others	184,104	159,714
	184,338	160,222

20. Cash and Cash Equivalents

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
(a) Balances with banks in		
– Current Accounts	1,256	953
– Current Accounts in Foreign Currency	634	283
(b) Margin Money Deposit	1	601
(c) Cheques & drafts on hand	-	959
(d) Cash on hand	457	375
(e) Unpaid Dividend	1,632	1,914
	3,980	5,085

21. Short Term Loans and Advances

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
Unsecured, considered good		
(a) Advances to related parties (refer note no.-39)*	200	-
(b) Loans and advances to Employees	610	331
(c) Prepaid Expenses	1,535	1,692
(d) Balances with Revenue authorities	47,208	76,208
(e) MAT Credit Entitlement	6,800	5,000
(f) Security Deposits	-	50
(g) Forward Contract assets	17,528	-
(h) Other loans and advances	191	3,783
	74,072	87,064

* reflects advance to associate company against material supplies

22. Other Current Assets

	(₹ in '000)	
Particulars	As at 31 st March 2013	As at 31 st March 2012
a) Interest accrued but not due on FDR	340	277
b) Export Incentives-SHIS	-	1,568
c) Margin Money Deposit against Bank Guarantee (s)#	3,562	2,803
	3,902	4,648

Margin Money deposit with banks include Fixed deposit of ₹ 613 thousands (Previous Year ₹ 588 thousands) with maturity of less than 12 months.



Notes on Financial Statements for the year ended 31st March, 2013



23. Revenue from Operations

		(₹ in '000)
Particulars	2012-13	2011-12
Sale of products	833,030	840,566
Less: Excise duty	56,698	46,132
	776,332	794,434
Other Operating Revenues	6,250	274
	782,582	794,708

24. Other Income

		(₹ in '000)
Particulars	2012-13	2011-12
(a) Interest Received on deposits with bank	87	246
(b) Interest received on delayed Payment	640	3,492
(c) Rent Received	360	360
(d) Insurance Claims received	-	400
(e) Miscellaneous Income	207	98
	1,294	4,596

25. Cost of Materials Consumed

Particulars	2012-13		2011-12	
	(₹ in '000)	% of Consumption	(₹ in '000)	% of Consumption
Imported	431,929	92%	444,669	94%
Indigenous	37,907	8%	28,385	6%
	469,836	100%	473,054	100%

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

			(₹ in '000)
Particulars	2012-13		2011-12
Inventory (at Beginning)			
– Finished Goods	33,037		22,997
– Work-in-Process	34,614		56,892
– Scrap	17	67,668	152
			80,041
Inventory (at Close)			
– Finished Goods	20,733		33,037
– Work-in-Process	41,606		34,614
– Scrap	145	62,484	17
			67,668
(Increase)/Decrease		5,184	12,373
Add/(Less): Excise duty variation on opening/closing stock		(1,196)	1,013
(Increase)/Decrease		3,988	13,386

Notes on Financial Statements for the year ended 31st March, 2013



27. Employee Benefit Expenses

		(₹ in '000)
Particulars	2012-13	2011-12
(a) Salaries and Wages	74,785	63,184
(b) Contributions to -		
(i) Provident fund	4,468	4,159
(ii) ESI Contribution	876	1,003
(iii) Gratuity fund contributions	899	1,150
(c) Staff welfare expenses	4,636	4,910
	85,664	74,406

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	2012-13	2011-12
(a) Employer's Contribution to Provident Fund	3,011	2,799
(b) Employer's Contribution to Pension Scheme	1,457	1,360

(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	2012-13		2011-12	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	8.00%	8.00%	8.50%	8.50%
Rate of escalation in Salary (per annum)	6.00%	6.00%	6.50%	6.50%
Expected Rate of return on plan assets (per annum)	9.15%		9.15%	
Expected Average remaining working lives of employees in no. of years	22.37	22.37	23.01	23.01
Mortality Table (LIC)	(1994-96) duly modified		(1994-96) duly modified	

Notes on Financial Statements for the year ended 31st March, 2013



(₹ in '000)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
(a) Changes in Present Value of Obligation				
Opening balance of Present value of obligation	8,968	7,438	1,950	1,609
Interest Cost	717	636	156	137
Current Service Cost	827	831	236	299
Benefits Paid	(334)	(398)	(68)	(27)
Actuarial (Gain)/Loss on Obligation	189	461	(693)	(68)
Closing Balance of Present value of obligation	10,367	8,968	1,580	1,950
(b) Changes in Fair Value of Plan Assets				
Opening balance of Fair Value of Plan Assets	9,107	8,725	-	-
Expected Return on Plan Assets	834	798	-	-
Employer's Contribution	150	-	-	-
Benefits paid	(334)	(398)	-	-
Actuarial Gain/ (Loss) on Plan Assets	1	(18)	-	-
Closing balance of Fair value of Plan Assets	9,758	9,107	-	-
Actual return on Plan Assets	835	780	-	-
(c) Percentage of each category of Plan Assets to total Fair value of Plan assets				
Adminstrated 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	10,367	8,968	1,580	1,950
Closing Balance of Fair Value of Plan Assets	9,758	9,107	-	-
(Asset)/ Liability recognised the Balance Sheet	609	(139)	1,580	1,950
(e) Amount Recognised in the Balance Sheet				
Closing Balance of Present Value of Obligation	10,367	8,968	1,580	1,950
Closing Balance of Fair Value of Plan Assets	9,758	9,107	-	-
Funded (Asset)/ Liability recognized in the Balance Sheet	609	(139)	-	-
Unfunded Liability recognised in the Balance Sheet	-	-	1,580	1,950
(f) Expenses recognised in the statement of Profit and Loss				
Current Service Cost	827	831	236	299
Interest Cost	717	636	156	137
Expected Return on Plan Assets	(834)	(798)	-	-
Net Actuarial (Gain)/Loss recognised in the period	188	479	(693)	(68)
Expenses recognized in the statement of Profit and Loss	899	1,148	(301)	368
(g) Experience Adjustments				
Experience adjustment on Plan Liabilities (loss)/gain	(155)	(489)	701	62
Experience adjustment on Plan Assets (loss)/ gain	1	(18)	-	-
(h) Expected employer contribution for the next year	1,366	735	440	392



Notes on Financial Statements for the year ended 31st March, 2013



28. Finance Costs

	(₹ in '000)	
Particulars	2012-13	2011-12
(a) Interest expense on		
(i) Borrowings	24,421	24,393
(ii) Others	1,611	1,612
(b) Other Borrowing costs	3,200	5,911
(c) Applicable Loss on foreign currency transactions and translation	6,863	5,400
	36,095	37,316

29. Manufacturing & Other Expenses

	(₹ in '000)	
Particulars	2012-13	2011-12
Stores & Spares Consumed (refer note no.-29.1)	13,420	16,788
Power & Fuel	8,826	8,280
Job Work Expenses	1,991	2,454
Custom /Excise Duty Paid (refer note no.-36)	612	-
Machinery Repairs	11,310	9,874
Building Repairs	3,449	6,809
Other Repairs	9,630	9,531
Processing Charges	4,233	5,699
Research & Development	1,449	1,372
Insurance	451	591
Rent, Rates and Taxes	7,986	6,379
Travelling & Conveyance	8,914	11,981
Electricity and Water Charges	2,816	2,098
Printing & Stationery	955	1,315
Communication Expenses	1,928	1,783
Professional and Consultancy Charges	3,465	11,507
Payment to Auditors (refer note no.-29.3)	1,983	1,758
Business Promotion /Development, Advertisement & Publicity	2,230	2,557
Commission on Sales	26,915	31,792
Packing Cost	20,803	24,944
Forwarding & Freight	14,338	16,074
Early Payment Discount	1,774	1,495
Irrecoverable Debts Written Off	1,018	-
Miscellaneous Expenses	4,117	4,809
Prior Period Expense (refer note no.-29.4)	412	149
Loss on Exchange Fluctuations	421	7,509
	155,446	187,548
Less: Transferred to Expenses Pending for Capitalization (Unit-IV)	3,852	14,829
Manufacturing Expenses transferred to Statement of Profit & Loss	151,594	172,719



Notes on Financial Statements for the year ended 31st March, 2013



29.1. Stores & Spares consumed

Particulars	2012-13		2011-12	
	(₹ in '000)	% of Consumption	(₹ in '000)	% of Consumption
Imported	639	5%	2,926	17%
Indigenous	12,781	95%	13,862	83%
	13,420	100%	16,788	100%

29.2 Value of Imports on CIF basis in respect of

Particulars	(₹ in '000)	
	2012-13	2011-12
(a) Raw Material	300,874	412,748
(b) Spares parts	1,725	3,083
(c) Capital Goods	3,875	96,863

29.3 Payment to Auditors

Particulars	(₹ in '000)	
	2012-13	2011-12
(a) Auditor as Statutory Auditor	800	800
(b) Taxation matters	800	750
(c) Company law matters	200	10
(d) Other services	150	146
(e) Reimbursement of expenses	33	52
	1,983	1,758

29.4 Prior Period Items

Particulars	(₹ in '000)	
	2012-13	2011-12
(a) Prior Period Expense	420	157
(b) Prior Period (Income)	(8)	(8)
	412	149

29.5 Expenditure in Foreign Currency

Particulars	(₹ in '000)	
	2012-13	2011-12
(a) Travelling	2,608	374
(b) Professional Fees	210	132
(c) Export Commission	2,688	4,513
(d) Interest Paid on Buyers' Credit	5,952	5,214
(e) Expenditure on account of Exchange Fluctuations	7,284	12,909



Notes on Financial Statements for the year ended 31st March, 2013



30. Exceptional Items (Income)/Expenses

		(₹ in '000)
Particulars	2012-13	2011-12
(a) Exceptional Items Expenses		
– Provision for Doubtful Debts	-	14,887
– Loss on Sale of Fixed Assets	1,140	5,814
– Loss on Commodity Derivative	86	415
	1,226	21,116
(b) Exceptional Items Income		
– Amount received on maturity of Keyman Insurance Policies	-	51,519
– Profit on Sale of Fixed Assets	-	282
– Profit on Sale of Gold Coins	2,551	-
– Liabilities Written Back	3,729	-
	6,280	51,801
Net (Income)/Expenses	(5,054)	(30,685)

31. Earnings Per Share

Particulars	2012-13	2011-12
Net Profit attributable to shareholders (₹ in '000)	11,863	26,345
Weighted average number of equity Shares	19,201,400	19,201,400
Basic and Diluted Earnings per share (₹)	0.62	1.37
Face Value per Equity Share (₹)	2	2

32. Earnings in Foreign Exchange

		(₹ in '000)
Particulars	2012-13	2011-12
FOB Value of Export (Net of Returns)	314,297	342,462

33. Contingent Liabilities in respect of:

		(₹ in '000)
Particulars	2012-13	2011-12
(A) Contingent Liabilities		
Bank Guarantee(s) submitted	14,248	11,211
Letters of Credit established by the bank	-	18,033
Bills Discounted	21,065	17,843
Customs duty on Material imported against Advance License /EPCG Scheme, for pending export obligation	58,636	62,350
Interest on Customs/Excise Duty for surrender of import benefit on unrealised export proceeds	3,804	-
Corporate Guarantee(s) on behalf of JV/ Associate Company	55,800	55,800
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	12,595	14,517

34. The Company was issued SCNs (Show Cause Notice's) w.r.t. admissibility of Cenvat Credit amounting to ₹48,149 thousands of Service Tax availed and also w.r.t. Excise Duty payable amounting to ₹ 345 thousands 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 ₹ 22,898 thousands inclusive of Cenvatable amount of ₹ 17,375 thousands (Previous Year ₹ 35,378 thousands inclusive of Cenvatable amount of ₹27,301 thousands). However, the above policy has no impact on the operating results of the Company.
36. The company has applied for permission to surrender 100% EOU status of Unit III, to the appropriate authorities and has deposited Custom Duty and Excise Duty in lieu of the debonding of its 100% EOU for surrender of Import benefit on unrealised export proceeds. The request of the company for waiver of interest on Custom Duty/Excise Duty is pending with appropriate authorities, accordingly the same has been included under Contingent Liabilities.
37. Foreign currency exposures (Net Liabilities) that are not hedged by forward contracts as on 31st March, 2013 amount to ₹2,22,350 thousands (Previous year ₹2,74,005 thousands).
38. 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	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Segment Sales	463,092	447,289	313,240	347,145	776,332	794,434
Segment Assets	175,701	166,770	83,035	85,804	258,736	252,574

39. "Related Party Disclosure" for the year ended 31st March, 2013 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. G. C. Prabhu	
8.	Mr. Anil K Sud	Other Directors

Notes on Financial Statements for the year ended 31st March, 2013



Sr. No.	Name of Related Party	Relationship
9. 10. 11. 12.	Mr. Angad Sandhu Mr. Kanav Anand Mr. Kabir Ghumman Late Sh. Brig. J. M. Singh	Relative of Key Managerial Personnel
13. 14. 15. 16. 17.	TSL Holdings Ltd Angad Estates Pvt. Ltd. Vishesh Credits Pvt. Ltd. Amar Engineering Company Pvt. Ltd. Ultra Portfolio Management Pvt. Ltd.	Enterprises over which Key Managerial Personnel are able to exercise significant influence

(ii) Transactions during the year with related parties:

(₹ in '000)

Sr. No.	Nature of Transactions	Joint Venture	Associates	Key Managerial Personnel	Others Directors	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence
1.	Equity Shares	- -	- 47,128	- -	- -	- -	- -
2.	Job Work Income (refer note iii below)	213 -	59 24	- -	- -	- -	- -
3.	Rent Received	- -	404 397	- -	- -	- -	- -
4.	Job Work Expense (refer note iii below)	- -	1,450 446	- -	- -	- -	- -
5.	Goods Sold (refer note iii below)	12 429	5 108	- -	- -	- -	- -
6.	Goods Purchased (refer note iii below)	2,406 184	4,141 6,112	- -	- -	- -	- -
7.	Advance for RM Purchase	- -	200 -	- -	- -	- -	- -
8.	Reimbursement of Expenses(Net)	34 517	3 -	- -	- -	- -	- -
9.	Managerial Remuneration	-	-	22,943 14,723	-	-	-
10.	Professional Fee Paid	- -	- -	- -	375 875	- -	- -
11.	Remuneration in pursuant to Section 314 of the Companies Act 1956 for holding an office or place of profit.	- -	- -	- -	- -	3,253 3,138	- -
12.	Rent Paid	- -	- -	- -	400 160	- -	4,483 4,752
13.	Security Deposit	- -	- -	- -	- -	- -	- 1,350

Notes on Financial Statements for the year ended 31st March, 2013



Sr. No.	Nature of Transactions	Joint Venture	Associates	Key Managerial Personnel	Others Directors	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence
14.	Unsecured Loans						
	i) Taken						3,708 31,475
	ii) Repaid						35,251 15,262
15.	Finance Costs	-	-	-	-	-	3,827 4,343

Balances as at 31st March 2013

16.	Investments	11,895 11,895	153,428 153,428	-	-	-	-
17.	Security Deposits	-	-	-	-	-	1,350 1,350
18.	Advances	-	200	-	-	-	-
19.	Unsecured Loans	-	-	-	-	-	6,246 37,790

Figures in Italics indicate previous year's figures.

iii) The respective transactions have been carried out on cash basis within the meaning of Section 297 (2) of the Companies Act, 1956.

40. Disclosure in respect of Associate(s)

Name of Company	Country of Incorporation	% of Voting power held as at	
		31st March, 2013	31st March 2012
Shivalik Bimetal Engineers Pvt. Ltd.	India	45%	45%
Innovative Clad Solutions Pvt. Ltd.	India	21%	27%

41. 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 2013 (Unaudited)					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital commitments
Checon Shivalik Contact Solutions Pvt. Ltd.	50%	50,242	50,242	20,143	26,283	150	-
(Previous Year) Audited	50%	(51,460)	(51,460)	(45,489)	(43,832)	(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.



NOTES



NOTES



ATTENDANCE SLIP

SHIVALIK BIMETAL CONTROLS LIMITED

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Joint shareholders may obtain additional Attendance Slip on request.

Name and Address of the Shareholder

Folio / Client ID No. :

No. of Shares held : _____

I hereby record my presence at the 29th Annual General Meeting of the Company held on Friday, the 27th September, 2013, at Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan -173213 (H.P.) at 10.00 a.m.

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

Signature

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

TEAR HERE

PROXY FORM

SHIVALIK BIMETAL CONTROLS LIMITED

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

Folio / Client ID No. :

Name of the shareholder:

I/We
ofbeing a member /
members of the Shivalik Bimetal Controls Limited hereby appoint
..... of
.....or failing him of
.....as my/our proxy to vote for me/us and on my/our behalf at the 29th Annual General Meeting of the Company
to be held on Friday, the 27th September 2013, at Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan
-173213 (H.P.) at 10.00 a.m. or at any adjournment thereof.

Affix a
Revenue
Stamp of
Rs. 1.00

Signed this day of 2013

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

BOOK POST



If Undelivered please return to:

SHIVALIK BIMETAL CONTROLS LIMITED
H-2, Suneja Chambers, 2nd Floor,
Alaknanda Commercial Complex,
New Delhi - 110019 (INDIA)