

**33<sup>rd</sup>**  
**ANNUAL**  
**REPORT**  
**2016-17**



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



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## COMPANY INFORMATION

### Board of Directors

: Mr. S.S. Sandhu, Chairman  
 Mr. N.S. Ghumman, Managing Director  
 Mr. Rohit Kapur, Director  
 Mr. G.S. Gill, Director  
 Mr. N.J.S. Gill, Director  
 Lt. Gen. Pradeep Khanna (Retd.), Director  
 Capt. Jitender Singh Mann (Retd.), Director  
 Mrs. Harpreet Kaur, Women Director

### Chief Financial Officer

: Mr. Rajeev Ranjan

### Company Secretary

: Mrs. Aarti Jassal

### Registered Office

: 16-18, New Electronics Complex,  
 Chambaghat, Distt. Solan-173213  
 Himachal Pradesh.  
 Phone : +91-1792-230578, 230175  
 Fax : +91-1792-230475  
 Email : investor@shivalikbimetals.com  
 Website: www.shivalikbimetals.com  
 CIN: L27101HP1984PLC005862

### Head Office

: H-2, Suneja Chambers, 2nd Floor,  
 Alaknanda Commercial Complex,  
 New Delhi-110019  
 Phone : +91-11-26027174, 26026362, 26028175  
 Fax : +91-11-26026776, 26020806  
 Email : investor@shivalikbimetals.com  
 Website: www.shivalikbimetals.com

### Statutory Auditors

: Malik S & Co.,  
 Chartered Accountants,  
 1/101, (L G F) Old Rajinder Nagar,  
 Sir Ganga Ram Hospital Marg,  
 New Delhi- 110 060

### Bankers

: Indian Bank  
 Nehru Place,  
 New Delhi-110019

### Registrar & Share Transfer Agent

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



## NOTICE TO THE MEMBERS

NOTICE is hereby given that the 33rd Annual General Meeting ("AGM") of the Members of Shivalik Bimetal Controls Limited ("SHIVALIK") will be held on Wednesday, the 27th day of September, 2017 at Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts) Solan (H.P.)-173212, at 10.00 AM to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2017 and the Reports of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2016-17.
3. To appoint a Director in place of Mrs. Harpreet Kaur (DIN: 07012657), who retires by rotation and being eligible, offers herself for re-appointment.
4. To consider the appointment of Statutory Auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules") [including any statutory modification(s) or re-enactment thereof for the time being in force] and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Arora Gupta & Co., Chartered Accountants, (Firm Registration No. 021313C), who have confirmed their eligibility to be appointed as Auditors in terms of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of the 38th AGM, to be held in the financial year ending 2022 (subject to ratification of the appointment by the members at every AGM held after this AGM) at the remuneration to be determined by the Board of Directors of the Company."

### SPECIAL BUSINESS :

5. To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2018 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Ramawatar Sunar, Cost Accountants, (Firm Registration No. 100691), appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, at the remuneration to be determined by the Board of Directors of the Company.

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

6. To approve the Alteration in the Articles of Association of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 14 and other applicable provisions of the Companies Act, 2013, approval of the Shareholders be and is hereby granted for alteration in the Articles of Association as under:

- i. Article 86 of the Articles of Association of the Company be and is hereby deleted and substituted by the following new clause:

**"86- Rotation of Directors** - At every Annual General Meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearer to one-third, shall retire from office."

- ii. Article 116 of the Articles of Association of the Company be and is hereby deleted and substituted by the following new clause:

**"116 - Managing Director(s) or Whole time Director(s) liable to retiring by rotation**- Subject to the provisions of the Act, and of these Articles, a Managing Director or a Whole time Director, shall be liable to retiring by rotation and shall be counted in determining the number of Directors retire by rotation.

7. To consider the revision in the remuneration & the re-appointment of Mr. S.S. Sandhu as Chairman & Whole Time Director of the Company and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment(s) thereof, for the being in force), the consent of the Company be and is hereby accorded to the revisions in managerial remuneration of Mr. S. S. Sandhu (DIN No. 00002312), as Chairman & Whole Time Director of the Company w.e.f. 01st December, 2016 (**as per table I**), and w.e.f 01st September, 2017 (**as per table II**) (for a period of three years) with such terms and conditions are mentioned hereunder:

Particulars	I - Amount (₹ in Lacs) Per annum	II - Amount (₹ in Lacs) Per annum
Basic Salary	100.80	110.00
House Rent Allowance : 50% of Basic Salary	50.40	55.00
Perquisites as per rule of the Company	3.00	3.00
<b>Gross Remuneration</b>	<b>154.20</b>	<b>168.00</b>

**RESOLVED FURTHER THAT** Mr. S. S. Sandhu as Chairman & Whole-Time Director of the Company be and is hereby re-appointed for a period of five (5) years w.e.f. 1st August, 2018 to 31st July, 2023.

**RESOLVED FURTHER THAT** Mr. S. S. Sandhu as Chairman & Whole-Time Director shall be liable to retire by rotation.

**RESOLVED FURTHER THAT**, pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V thereto and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) (“the Act”) and the Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to further revision in managerial remuneration of Mr. S. S. Sandhu (DIN No. 00002312), as Chairman & Whole-Time Director of the Company for a period of three years, with effect from 01st January, 2018 on the terms and conditions specified hereunder:

Particulars	III - Amount (₹ in Lacs) Per annum
Basic Salary	131.36
House Rent Allowance : 50% of Basic Salary	65.68
Perquisites as per rule of the Company	3.00
Remuneration	200.04

**RESOLVED FURTHER THAT** the aforesaid remuneration (**as per table III**), to be paid to Mr. S. S. Sandhu (DIN No. 00002312) shall be subject to the approval of the Central Government to the extent it is in excess of the limit prescribed under Sections 197, read with Schedule V thereto and other applicable provisions of the Act.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to take all such steps as may be necessary for obtaining any approval(s) – statutory, contractual or otherwise, in relation to the above.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorised to make necessary application to the Central Government and to sign all such documents, letters, papers as may be required and do all such acts, deeds, matters and things as are incidental thereto or as may be deemed necessary or desirable and to settle any question or difficulty that may arise in such manner as it may deem fit.”

8. To consider the revision in the remuneration of Mr. N.S. Ghumman as Managing Director of the Company and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment(s) thereof, for the being in force), the consent of the Company be and is hereby accorded to the revision in managerial remuneration of Mr. N.S. Ghumman (DIN No. 00002052), as Managing Director of the Company w.e.f. 01st December, 2016 (**as per table I**), and w.e.f 01st September, 2017 (**as per table II**) (for a period of three years) with such terms and conditions are mentioned hereunder:

Particulars	I - Amount (₹ in Lacs) Per annum	II - Amount (₹ in Lacs) Per annum
Basic Salary	100.80	110.00
House Rent Allowance : 50% of Basic Salary	50.40	55.00
Perquisites as per rule of the Company	3.00	3.00
Gross Remuneration	154.20	168.00

**RESOLVED FURTHER THAT**, pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V thereto and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) ("the Act") and the Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to further revision in managerial remuneration of Mr. N.S. Ghumman (DIN No. 00002052), as Managing Director of the Company for a period of three years, with effect from 01st January, 2018 on the terms and conditions specified hereunder:

Particulars	III - Amount (₹ in Lacs) Per annum
Basic Salary	131.36
House Rent Allowance : 50% of Basic Salary	65.68
Perquisites as per rule of the Company	3.00
Remuneration	200.04

**RESOLVED FURTHER THAT** the aforesaid remuneration (*as per table III*), to be paid to Mr. N.S. Ghumman (DIN No. 00002052), shall be subject to the approval of the Central Government to the extent it is in excess of the limit prescribed under Sections 197, read with Schedule V thereto and other applicable provisions of the Act.

**RESOLVED FURTHER THAT** Mr. N.S. Ghumman (DIN No. 00002052), Managing Director shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to take all such steps as may be necessary for obtaining any approval(s) – statutory, contractual or otherwise, in relation to the above.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and Company Secretary of the Company be and are hereby severally authorised to make necessary application to the Central Government and to sign all such documents, letters, papers as may be required and do all such acts, deeds, matters and things as are incidental thereto or as may be deemed necessary or desirable and to settle any question or difficulty that may arise in such manner as it may deem fit."

9. To approve the enhancement in prescribed limit of remuneration payable to Related Parties appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company; and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution.

**"RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force) and provisions of Regulation 23(4) of the SEBI (LODR) Regulations, 2015, the approval/ratification of the shareholders be and is hereby accorded to the Board of Directors to enhance the prescribed limit of remuneration payable to related parties appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company, as computed under applicable provisions of Companies Act, 2013 and its allied rules from ₹ 30 Lacs (Rupees Thirty Lacs only) to ₹ 150 Lacs (Rupees One Hundred & Fifty Lacs only) per annum."

**RESOLVED FURTHER THAT** the Board of Directors of the Company and Company Secretary of the Company be and are hereby severally authorised to do, all such acts, matters, deeds and things, settle any queries/difficulties/ doubts arise from it, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company."

10. To approve the appointment of Mr. Nirmaljeet Singh Gill (DIN: 00007425) as an Independent Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Nirmaljeet Singh Gill (DIN: 00007425), who in accordance with Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years, with effect from 27th September, 2017, not liable to retire by rotation.”

11. To approve the appointment of Mr. Rohit Kapur (DIN: 00007721) as an Independent Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rohit Kapur (DIN: 00007721), who in accordance with Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years, with effect from 27th September, 2017, not liable to retire by rotation.”

12. To approve the appointment of Capt. Jitender Singh Mann (Retd.) (DIN: 06659626) as an Independent Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Capt. Jitender Singh Mann (Retd.) (DIN: 06659626), who in accordance with Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years, with effect from 27th September, 2017, not liable to retire by rotation.”

13. To approve the appointment of Lt. Gen. Pradeep Khanna (Retd.) (DIN: 06668919) as Independent Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Lt. Gen. Pradeep Khanna (Retd.) (DIN: 06668919), who in accordance with Companies Act, 2013 is required to be appointed/re-appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years, with effect from 27th September, 2017, not liable to retire by rotation.”

14. To approve the issue of Bonus shares and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 63, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Foreign Exchange Management Act, 1999 including the rules, regulations, circulars, etc. made/issued thereunder, the relevant provisions of the Memorandum and Articles of Association of the company and the recommendation of the Board of Directors of the company (hereinafter referred to as the “Board” which term shall be deemed to include any Committees of the Board), and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI) including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) and





such permissions, sanctions and approvals as may be required in this regard, consent of the members of the company be and is hereby accorded to the Board for capitalisation of such sum standing to the free reserves of the company, as may be considered necessary by the Board, for the purpose of issuance of 1 (One) Bonus Equity Share of ₹ 2/- each for every 1 (One) fully paid up Equity Share of ₹ 2/- each held by the members of the company, credited as fully paid-up equity shares to the holders of the equity shares, whose names appear in the Register of Members maintained by the company including the List of Beneficial Owners as received from the Depositories, on such record date as may be fixed;

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall rank pari passu in all respects with the existing fully paid-up Equity Shares of the Company as existing on the Record Date, save and except that they shall not be entitled to any dividend that may be declared before the 'Record Date'.

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** no letter of allotment shall be issued in respect of the Bonus Shares and in the case of Members who hold Shares or opt to receive the Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities.

**RESOLVED FURTHER THAT** the issue and allotment of the Bonus Shares to Non-Resident Members, Foreign Institutional Investors (FIIs) & other foreign investors, be subject to the approval of the Reserve Bank of India, as may be necessary.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to take necessary steps for listing of such shares on the Stock Exchanges where the securities of the Company are listed as per the provisions of the SEBI (LODR) Regulations, 2015/ Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board or a Committee or a Company Secretary thereof be and are hereby authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required and as it may in its sole and absolute discretion deem necessary, expedient or incidental in regard to issue of Bonus Shares, including but not limited to filing of any documents with the SEBI, Stock Exchanges where the shares of the Company are listed, Depositories, Ministry of Corporate Affairs, RBI and/ or any concerned authorities, applying and seeking necessary listing approvals from the Stock Exchanges, and to settle any question, difficulty or doubt that may arise in regard thereto."

Place : New Delhi  
Date : 23rd August, 2017

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

**Registered Office:**

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

**Sd/-**  
**Aarti Jassal**  
**Company Secretary**

**NOTES :**

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

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





2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Disclosures pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Directors seeking re-appointment at forthcoming Annual General Meeting are given in Annexure.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 21st September, 2017 to Wednesday, 27th September, 2017 (both days inclusive) for the purpose of 33rd Annual General Meeting and determining the entitlement of the members to the final dividend (if declared at the AGM).
5. The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013, in respect of the special business under Item Nos. 5, 6, 7, 8, 9, 10, 11, 12, 13 & 14 is annexed here to.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours i.e. 09:30 A.M. to 05:30 P.M. up to the date of the Meeting.
7. Members holding shares in physical form are advised to send all the requests regarding share transfer and correspondence in relation to share matters to the Company's Registrar and Share Transfer Agent (RTA) at the following address:

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

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

8. Members desirous of obtaining any information relating to accounts and operations of the Company may address their queries / questions to the Company's Head Office, so as to reach at least five days before the date of the meeting so that the information may be made available at the meeting to the best extent possible.
9. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
10. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Pursuant to Section 124 and 125 of the Companies Act, 2013 and other applicable provisions all unclaimed/unpaid dividend for the years prior to and including for the financial year 2009-10 (Interim Dividend) have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

In case the Dividend has remained unclaimed for any of the financial year from 2009-2010 (Final Dividend), the Shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend.

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

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

### 13. Voting through electronic means

- a. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 Shivalik Bimetal Controls Ltd. Annual Report 2016-17 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 33rd AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - b. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - c. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - d. If a person was a Member on the record date but has ceased to be a Member on the cut-off date, he/she shall not be entitled to vote and attend the AGM. Such person should treat this Notice for information purpose.
  - e. The remote e-voting period commences on 24th day of September, 2017 (9:00 am) and ends on 26th day of September, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th day of September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- I. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participant(s)] :
    - (i) Open email and open PDF file viz; "SBCL-remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password (the initial password mentioned in the e-mail sent by NSDL to shareholders whose email addresses are registered with the company/depository participant(s)). Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "SHIVALIK BIMETAL CONTROLS LTD."
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [plawizard@gmail.com](mailto:plawizard@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



- B. In case a Member receives physical copy of the Notice of 33rd AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- Initial password is provided separately.
  - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID + Client ID).
- In case Shareholders are holding shares in physical mode, USER-ID is the Combination of (EVEN Number + Folio No).
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2017.
- VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- VII. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. Mr. Purshotam Lal Arora, Practicing Chartered Accountant (Membership No. 081294), Proprietor of M/s P L Arora & Co., Chartered Accountants has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.shivalikbimetals.com](http://www.shivalikbimetals.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.



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## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

### **ITEM NO. 5**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Ramawatar Sunar, Cost Accountants, (Firm Registration No. 100691), Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

### **ITEM NO. 6**

The total strength of the Board of the Company as on date is 8 (Eight) Directors out of which 4 (Four) are Non-Independent Directors [including 2 (Two) is Non-Executive Director & 2 (Two) is Executive Directors] and 4 (Four) are Independent Directors.

To enable the Company to comply with the Regulation 17 of the SEBI (LODR) Regulations, 2015, read together with Section 152 with respect to rotation of Directors at every Annual General Meeting, the Company is providing for rotation of Whole Time Directors/Managing Directors by substituting Article no. 86 and Article No. 116 with the new Articles as Stated in the Item No. 6 of the Notice.

The Board of Directors, at its meeting held on 23rd August, 2017 has accorded its consent for the above stated alteration in the Articles of Association and recommended the passing of special resolution by the shareholders.

None of the Directors of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.6 of the Notice.

These documents shall be available for inspection during the business hours i.e. 09:30 AM to 05:30 PM at the registered office of the Company.

### **ITEM NO. 7**

Keeping in view the contribution made by Mr. S.S. Sandhu as Chairman & Whole-Time Director for sustaining the growth of the business of the Company futuristically, with the recommendation of Nomination and Remuneration Committee, Board of Directors in their meeting held on 23rd day of August, 2017, decided to re-appoint Mr. S.S. Sandhu as Chairman & Whole-Time Director of the Company for another term of 5 years effective from 01st August, 2018, subject to approval of the Shareholders in Annual General Meeting.

Further, Pursuant to provisions of section 197 and 198 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re- enactment(s) thereof, for the time being in force), the Board decided upon recommendation of Nomination and Remuneration Committee to revise the existing managerial remuneration of Mr. S. S. Sandhu for a period of three years, subject to approval of shareholders through Special Resolution, on terms and conditions as specified in the resolution at Item No. 7 of the Notice

Brief resume of Mr. S.S. Sandhu, nature of his expertise in specific functional areas and names of Companies in which he holds Directorships and memberships/ Chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated is annexed as 'Annexure – 1' to this Notice under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. S.S. Sandhu is interested in the resolutions set out respectively at Item No. 7 of the Notice with regard to their respective re-appointment and revision in the remuneration.



Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends the Special Resolutions set out at Item No. 7 of the Notice for approval by the shareholders.

### **ITEM NO. 8**

Keeping in view the provisions of Companies Act, 2013 and his knowledge, experience and long association with the Company, the Board of Directors of the Company has approved the revision in the managerial remuneration of Mr. N.S. Ghumman as Managing Director for a period of three years, subject to the approval of the Members through Special Resolution, on terms and conditions as specified in the resolution at Item No. 8 of the Notice. These terms and conditions have also been approved by the Nomination and Remuneration Committee of the Company. His remuneration fixed in accordance with Section 196, 197 and Schedule V of the Companies Act, 2013.

Mr. N. S. Ghumman is one of the promoter Directors of the Company and is associated with the Company from the date of inception. He is a highly qualified and a widely experienced technocrat having experience of over 44 years in the field of engineering, manufacturing operations, Research & Development/ Product Development activities etc.

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

Mr. N.S. Ghumman is interested in the resolutions set out respectively at Item No.8 of the Notice with regard to their respective revision in the remuneration.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends the Special Resolutions set out at Item No. 8 of the Notice for approval by the shareholders.

### **ITEM NO.9**

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with related parties of the Company. The provisions of Section 188(1)(f) of the Companies Act, 2013 that govern the related party's appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company. Mr. Kabir Ghumman son of Shri N.S. Ghumman (Managing Director) appointed as officers holding a place of profit under the erstwhile Section 314(1B) of the Companies Act, 1956.

By virtue of the Companies Act, 2013 ("Act") which has replaced the Companies Act, 1956, approval of the Central Government is now not required for appointment of a related party to an office or place of profit in the Company. However, in terms of Section 188(1)(f) of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules") in aggregate maximum Permissible limit for Remuneration payable to related parties is ₹ 30 Lacs (Rupees Thirty Lacs only) per annum; irrespective of the no. of persons employed; and General Circular No. 30/2014, the Company now seeks prior approval of the shareholders to, enhance the prescribed limit of remuneration payable to related parties appointment to any office or place of profit in the company, its subsidiary company or associate company as computed under applicable provisions of Companies Act, 2013 and its allied rules from ₹ 30 Lacs (Rupees Thirty Lacs) to 150 Lacs (Rupees One Hundred & Fifty Lacs Only) per annum ("Maximum Remuneration") in a Financial Year starting from the Financial Year 01st April, 2017. This Maximum Remuneration shall be inclusive of perquisites as defined in the Companies Act, 2013 and such other benefits which are payable or applicable to employees in similar senior management cadre and same position in the Company as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

In terms of Regulation 23 of the SEBI (LODR) Regulations, 2015 and Section 188(1)(f) of the Companies Act, 2013 read with applicable rules, the Company has sought and obtained the approval and consent of the Nomination and Remuneration Committee and the Board respectively for enhancement in prescribed limit of remuneration payable to related parties appointment to any office or place of profit in the Company. The Audit Committee and Board considered the said Maximum Remuneration payable to the related parties appointment to any office or place of profit in the Company, are in the ordinary course of business and at arms' length basis transaction.





Mr. Kabir Ghumman is a qualified Engineer holding B.Tech, Mechanical Engineering from University of Windsor, Ontario, Canada. He was made responsible for the supervision of all technical and mechanical engineering aspects of the Company at plant.

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

Mr. Kabir Ghumman associated with the Company from last few years and meanwhile gave his best for its immense growth.

His present roles are crucial to provide impetus to the expanding Business in the emerging market business of the Company. He is focusing on the new design & tapping the potential markets. Considering his qualification, experience and present role prescribed limit of Companies Act is not commensurate, hence requires approval of the shareholders.

Except from Mr. N.S. Ghumman (Managing Director) a respectively, none of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution for approval of the members.

#### **ITEM NO. 10, 11, 12 & 13**

Mr. Nirmaljeet Singh Gill (DIN: 00007425), Mr. Rohit Kapur (DIN: 00007721), Capt. Jitender Singh Mann (Retd.) (DIN: 06659626) and Lt. General Pradeep Khanna (Retd.) (DIN: 06668919) are Non-Executive Independent Directors of the Company.

The Board, on the recommendation of the Nomination & Remuneration/Audit Committee, has approved the tenure of Mr. Nirmaljeet Singh Gill, Mr. Rohit Kapur, Capt. Jitender Singh Mann (Retd.) and Lt. General Pradeep Khanna (Retd.) as the Independent Directors (ID) of the Company, whose term is due to expire on 31st March, 2018.

It is proposed to appoint Mr. Nirmaljeet Singh Gill (DIN: 00007425), Mr. Rohit Kapur (DIN: 00007721), Capt. Jitender Singh Mann (Retd.) (DIN: 06659626) and Lt. General Pradeep Khanna (Retd.) (DIN: 06668919) as independent Directors under Section 149 of the Companies Act, 2013 to hold office w.e.f. 27th September, 2017 to 26th September, 2022.

The Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013 from members, proposing the candidature of Mr. Nirmaljeet Singh Gill, Mr. Rohit Kapur, Capt. Jitender Singh Mann (Retd.) and Lt. General Pradeep Khanna (Retd.) for the office of Independent Directors.

The Company has received a declaration from Mr. Nirmaljeet Singh Gill, Mr. Rohit Kapur, Capt. Jitender Singh Mann (Retd.) and Lt. General Pradeep Khanna (Retd.) that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Nirmaljeet Singh Gill, Mr. Rohit Kapur, Capt. Jitender Singh Mann (Retd.) and Lt. General Pradeep Khanna (Retd.) fulfill the conditions for appointment as Independent Director as specified in the Companies Act, 2013. Mr. Nirmaljeet Singh Gill, Mr. Rohit Kapur, Capt. Jitender Singh Mann (Retd.) and Lt. General Pradeep Khanna (Retd.) are independent of the management. Further, Mr. Nirmaljeet Singh Gill, Mr. Rohit Kapur, Capt. Jitender Singh Mann (Retd.) and Lt. General Pradeep Khanna (Retd.) are not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given their intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

Brief resume of Mr. Nirmaljeet Singh Gill, Mr. Rohit Kapur, Capt. Jitender Singh Mann (Retd.) and Lt. General Pradeep Khanna (Retd.) nature of their expertise in specific functional areas and names of Companies in which they holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated is annexed as 'Annexure – 1' to this Notice under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Copy of the draft letters for their appointment as Independent Directors setting out the terms and conditions are available for inspection by members during normal business hours, on any working day upto the date of the AGM and shall also be posted on the Company's website.

Mr. Nirmaljeet Singh Gill, Mr. Rohit Kapur, Capt. Jitender Singh Mann (Retd.) and Lt. General Pradeep Khanna (Retd.) are interested in the resolutions set out respectively at Item Nos. 10,11, 12 & 13 of the Notice with regard to their respective appointments.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board commends the Special Resolutions set out at Item Nos. 10,11,12 & 13 of the Notice for approval by the shareholders.

#### **ITEM NO. 14**

The Equity Shares of your Company are listed and actively traded on BSE Limited ("BSE"). In order to provide liquidity to the equity shareholders of the Company by increasing the available number of equity shares in the market as also to reward them by allotting bonus shares to them, your Directors' at their meeting held on 23rd day of August, 2017 have recommended issue of 1 (One) Bonus Equity Share of ₹ 2/- each for every 1 (One) fully paid up equity shares of ₹ 2/- each held.

On being approved, the Bonus shares are proposed to be allotted from free reserves/ surplus of the Company by capitalization of a sum not exceeding ₹ 3,84,02,800/- (Rupees Three Crores Eight Four Lacs Twenty Eight hundred only). By allotment of 19201400 Bonus Equity shares of ₹ 2/- each, the paid up equity share capital of the Company would stand increased from ₹ 3,84,02,800 to ₹ 7,68,05,600.

These fully paid up bonus shares will be distributed to those members whose name shall appear on its register of members or in the respective beneficiary account or with their respective Depository Participants, on the Record Date to be determined by the Board of Directors of your Company for the purpose of issue of Bonus shares in proportion of one Bonus Equity share for every One existing equity share held by them respectively on the Record Date.

The bonus shares so allotted shall rank pari-passu in all respects with the existing equity shares of the Company except that they shall not be entitled to any Dividend or Bonus Shares that may be declared before the record date.

The proposal for issuance of Bonus Shares is beneficial to the members of the Company as well as to the Company. The Articles of Association permits the Company to issue Bonus shares inter alia on being approved by the members.

Hence your Directors seek your approval to the resolution as set out in item no. 14 of the accompanying notice by way of Ordinary Resolution.

None of the Directors / Key Managerial Personnel or their relatives shall be deemed to be concerned or interested in the resolution except to the extent of their shareholding if any.

Place : New Delhi  
Date : 23rd August, 2017

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

#### **Registered Office:**

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

**Sd/-**  
**Aarti Jassal**  
**Company Secretary**





**STATEMENT PURSUANT TO THE PROVISIONS OF PART II SECTION II (B) (iv) OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT TO ITEM NOS. 7-8 OF THE NOTICE**

**I. GENERAL INFORMATION:**

1. Nature of Industry: Manufacturing of Thermostatic Bimetal Strips, Trimetal Strips and Components etc.
2. Date or expected date of commencement of commercial production: 15th October 1986.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable
4. Financial performance based on given indicators:

(₹ in lacs)

Year ended 31	FY17	FY16	FY15	FY14	FY13
<b>Key Figures</b>					
<b>Sales &amp; Other Income</b>	12,763.53	10,654.91	10,162.22	8,550.27	8,405.74
<b>EBITDA</b>	1,992.69	1,408.62	1,479.92	965.42	778.48
<b>Profit Before Tax</b>	1,385.43	649.95	843.03	413.40	183.68
<b>PAT</b>	<b>911.00</b>	<b>411.44</b>	<b>494.19</b>	<b>352.92</b>	<b>118.63</b>
<b>Balance Sheet Summary</b>					
Shareholder Fund	7,348.82	6,499.08	6,087.64	5,620.01	5,267.09
Non-current Liabilities	745.13	700.67	1,097.66	1,364.80	979.59
Current Liabilities	4,699.95	5,460.59	5,526.59	4,360.74	4,885.40
<b>Total</b>	<b>12,793.90</b>	<b>12,660.34</b>	<b>12,711.89</b>	<b>11,345.55</b>	<b>11,132.08</b>
Non-Current Assets	6,087.27	6,236.41	6,437.41	6,411.75	6,302.18
Current Assets	6,706.63	6,423.93	6,274.48	4,933.80	4,829.90
<b>Total</b>	<b>12,793.90</b>	<b>12,660.34</b>	<b>12,711.89</b>	<b>11,345.55</b>	<b>11,132.08</b>

- a) Foreign Investments or collaborations, if any: The Company has two Joint Ventures with large entities engaged in the similar activities, overseas. One is Checon Shivalik Contact Solutions Private Limited and another one is Innovative Clad Solutions Private Limited.

**II. INFORMATION ABOUT THE APPOINTEE(s):**

**A) Mr. S.S. Sandhu**

- (1) Background details: As stated in the Annexure-I of the Notice.
- (2) Past remuneration: During his present tenure as the Chairman & Whole Time Director of the Company, the remuneration paid to Mr. S.S. Sandhu for the Financial Year 2016-2017 is as per the limits prescribed in the Schedule V to the Companies Act, 2013.
- (3) Recognition or Awards: Under the leadership of Mr. S.S. Sandhu, Chairman & Whole time Director of the Company has won many prestigious awards and has been recognized for its contribution to the society.
  - SHIVALIK awarded by Emerging India-Award 2008 in the category of Auto, Ancillaries & Engineering, organized by CNBC TV-18 AND ICICI Bank.
  - Registered with DUNS & Bradman.



- Awarded best Vendor in the category Of Competitiveness by Schneider in 2011.
  - Preferred Supplier for Siemens, Schneider & Legrand and other leading electrical Companies.
- (4) Job profile and his suitability: The Shareholders and Board of Directors has bestowed Mr. S.S. Sandhu with substantial powers of the management subject to supervision and control of professional Board of Directors. Under his superior effort and pragmatic leadership, the Company has progressed steadily since his appointment. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes for the re-appointment of Mr. S.S. Sandhu as Chairman & Whole Time Director for a further period of 5 (Five) Years w.e.f. 1st August, 2018 to 31st July, 2023 and the Board further proposes to increase the remuneration of Mr. S.S. Sandhu, Chairman and Whole Time Director for a further period of 3 (Three) Years, as per the details stated in the Item No.7 of the Notice.
- (5) Remuneration proposed: As stated in the Item No.7 of the Notice.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of her origin): The proposed remuneration is comparable and competitive, considering the industry, size of the company, the managerial position and the credentials of the Chairperson.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any: Mr. S.S. Sandhu is Promoter Director of the Company, holding 288000 Equity Shares of the face value of ₹ 2 Each representing 1.50 % of the total paid up capital of the Company. In addition to this Mrs. Sarita Sandhu, wife of Mr. S.S. Sandhu, holds 216000 Equity Shares and Mr. Angad Sandhu, son of Mr. S.S. Sandhu, holds 152000 equity shares of the face value of ₹ 2 Each representing 1.12.% and 0.79% of the total paid up capital of the Company. The Company discloses the related party transactions annually in the books of accounts of the Company. The Audit Committee discusses and approves such transactions every quarter. The Board of Directors duly approves the related party transactions and in the opinion of Board of Directors of the Company, none of the transactions is prejudicial to the interest of the Company.

#### **B) Mr. N.S. Ghumman**

- (1) Background details: As stated in the explanatory statement of Item Nos. 8 of the Notice.
- (2) Past remuneration: During his present tenure as Managing Director of the Company, the remuneration paid to Mr. N.S. Ghumman for the Financial Year 2016-2017 is as per the limits prescribed in the Schedule V to the Companies Act, 2013.
- (3) Recognition or Awards: Under the leadership of Mr. N.S. Ghumman, Managing Director of the Company has won many prestigious awards and has been recognized for its contribution to the society.
- SHIVALIK awarded by Emerging India-Award 2008 in the category of Auto, Ancillaries & Engineering, organized by CNBC TV-18 AND ICICI Bank.
  - Registered with DUNS & Bradman.
  - Awarded best Vendor in the category of Competitiveness by Schneider in 2011.
  - Preferred Supplier for Siemens, Schneider & Legrand and other leading electrical companies.
- (4) Job profile and his suitability: The Shareholders and Board of Directors has bestowed Mr. N.S. Ghumman with substantial powers of the management subject to supervision and control of professional Board of Directors. Under his superior effort and pragmatic leadership, the Company has progressed steadily since his appointment. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes to increase the remuneration of Mr. N.S. Ghumman, Managing Director for a further period of three years as per the details stated in the Item No. 8 of the Notice.
- (5) Remuneration proposed: As stated in the Item No. 8 of the Notice.



- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of her origin): The proposed remuneration is comparable and competitive, considering the industry, size of the Company, the managerial position and the credentials of the Managing Director.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any: Mr. N.S. Ghumman is Promoter Director of the Company, holding 1465000 Equity Shares of the face value of ₹ 2 Each representing 7.63% of the total paid up capital of the Company. In addition to this Mrs. Tejinderjeet Kaur Ghumman, wife of Mr. N.S. Ghumman holds 296000 Equity Shares and Mr. Shana Ghumman & Mr. Sumer Ghumman Daughter & son of Mr. N.S. Ghumman, holds 12000 & 1000 equity shares of the face value of ₹ 2 each representing 1.54%, 0.06% and 0.01% of the total paid up capital of the Company. Apart from the above Mr. Kabir Ghumman son of Mr. N.S. Ghumman has withdrawn his remuneration for the FY 16-17 of ₹ 29,38,428.00. The Company discloses the related party transactions annually in the books of accounts of the Company. The Audit Committee discusses and approves such transactions every quarter. The Board of Directors duly approves the related party transactions and in the opinion of Board of Directors of the Company, none of the transactions is prejudicial to the interest of the Company.

### III. OTHER INFORMATION:

- (1) **Reasons of loss or inadequate profits:** The Company has performed well in the financial year 2016-17. Your Company's gross turnover has increased by ₹ 2,108.62 Lacs to ₹ 12,763.53 Lacs as compared to ₹ 10,654.91 Lacs in previous year, thereby showing a growth of 19.79%. EBITDA increased to ₹ 1,992.69 Lacs as compared to ₹ 1,408.62 Lacs in previous year. The current profitability at present is inadequate for the proposed remuneration as it may exceed the limits as prescribed in Schedule V of the Companies Act, 2013. There is no loss in the Company.
- (2) **Steps taken or proposed to be taken for improvement:** The Company has adopted the following measures to improve the profitability:
- Focus on high quality performance delivery and good relationship with existing customers to generate rapid new order flows.
  - Widening of customer base for growth of business both from private and public sector.
  - Conscious efforts for the development of customer base in the respective business segments.
  - Company has not only focused on securing new orders but also efficiently executed existing orders to the satisfaction of various customers
  - Use of the Equipments of latest technology for enhancing quality and reducing time
  - Focus on significant improvements in operating costs.
  - Cost control in all areas.
- (3) **Expected increase in productivity and profits in measurable terms:** It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.



## Annexure-1

### DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT IN THE 33RD ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Particulars	Mr. Nirmaljeet Singh Gill	Mr. Rohit Kapur	Jitender Singh Mann	Pradeep Khanna	Mr. S.S. Sandhu
<b>DIN No.</b>	00007425	00007721	06659626	06668919	00002312
<b>Date of Birth</b>	11/05/1949	01/04/1955	12/05/1963	07/02/1951	20/04/1954
<b>Age</b>	68	62	54	66	63
<b>Date of appointment/ reappointment</b>	27/09/2017	27/09/2017	27/09/2017	27/09/2017	01/08/2013
<b>Date of first appointment on Board</b>	28/05/2003	26/04/2000	08/08/2013	08/08/2013	01/08/2003
<b>Terms and Conditions of appointment</b>	5 years	5 years	5 years	5 years	5 years
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b>	-	-	-	-	-
<b>Remuneration sought to be paid</b>	-	-	-	-	As stated in the Item No. 7 of the Notice
<b>Remuneration Last Drawn</b>	-	-	-	-	As stated in the Item No. 7 of the Notice



Particulars	Mr. Nirmaljeet Singh Gill	Mr. Rohit Kapur	Jitender Singh Mann	Pradeep Khanna	Mr. S.S. Sandhu
<b>Qualification &amp; Experience in specific functional area</b>	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 44 years and accordingly well aware of intricacies of carrying on business, as such he provides useful guidance to the Company on critical issues.	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 39 years and accordingly well aware of intricacies of carrying on business, as such he provides useful guidance to the Company on critical issues	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.	Lieutenant General Pradeep Khanna (Retd.) was born on 7th February, 1951 and having educational qualification of Defence Services Staff College Course (MSc in Defence Studies), Higher Command Course (HC-22), Royal College of Defence Studies (RCDS), united Kingdom. 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-DeCamp during his service tenure in Indian Military.	Mr. S. S. Sandhu is one of the Promoter Directors of the Company and is the Whole-time Director and Executive Chairman of the Company. He is Graduate of Bachelor of Arts. He has over 45 years of experience in varied spheres of Entrepreneurship functions including Finance, Banking, legal, commercial (domestic as also the international), administrative and Corporate financial management functions of the Company as well as looking after the Company's interests in JV's/ Associates. His well-defined path-oriented initiatives with long term vision, leadership and strategic decision-makings have contributed immensely to the overall growth of the Company, during this period.
<b>Directorships held in other companies*</b>	-	-	-	-	1
<b>Memberships/ Chairmanships of Committee in other public limited companies (includes only Audit &amp; Shareholders' / Investors' Grievance Committee)</b>	-	-	-	-	-
<b>No of shares held in Company</b>	NIL	NIL	NIL	NIL	2,88,000.00

\*Excluded section 8 Companies & Private Limited Companies.



## DIRECTORS' REPORT



### To the Members,

Your Directors have pleasure in presenting the 33rd Annual Report of the Company for the year ended 31st March, 2017.

### FINANCIAL RESULTS:

(₹ in Lacs)

PARTICULARS	Standalone		Consolidated	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Sales & Other income	12,763.53	10,654.91	13,962.40	11,640.42
Exceptional Items- Expenses	3.24	20.19	4.30	20.16
<b>EBITDA</b>	<b>1,992.69</b>	<b>1,408.62</b>	<b>2,081.95</b>	<b>1,436.45</b>
Finance Costs	247.65	389.90	304.75	442.72
Depreciation	359.61	368.77	422.50	431.22
<b>Profit before Tax</b>	<b>1,385.43</b>	<b>649.95</b>	<b>1,354.70</b>	<b>562.51</b>
<b>Less: Tax Expenses</b>	<b>474.43</b>	<b>238.51</b>	<b>483.53</b>	<b>237.68</b>
<b>Profit for the Year</b>	<b>911.00</b>	<b>411.44</b>	<b>871.17</b>	<b>324.83</b>
<b>Share in profit /(Loss) of Associates</b>	-	-	7.79	7.67
<b>Net Profit/(Loss) for the year</b>	-	-	878.96	332.50
Balance brought forward from Previous Year	3,677.41	3,365.97	2530.89	2,211.75
<b>Profit available for Appropriation</b>	<b>4,588.41</b>	<b>3,777.41</b>	<b>3409.85</b>	<b>2,544.25</b>
<b>Appropriations:</b>	-	-	-	-
General Reserve	200.00	100.00	200	100.00
Interim Dividend	57.78	-	57.78	-
Adjustment due to change in holding of Joint Venture during the year	-	-	-	(86.64)
Balance carried to Balance Sheet	<b>4,330.63</b>	<b>3,677.41</b>	<b>3,152.07</b>	<b>2,530.89</b>

### PER SHARE DATA

PARTICULARS	Standalone		Consolidated	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
Basic EPS	4.74	2.14	4.58	1.73
Book Value per share	38.27	33.85	32.78	28.52

Except, as disclosed elsewhere in the Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the Financial Year and the date of this Report.

### COMPANY'S PERFORMANCE:

**Standalone performance:** Your Company's gross turnover has increased by ₹ 2,108.62 Lacs to ₹ 12,763.53 Lacs as compared to ₹ 10,654.91 Lacs in previous year, thereby showing a growth of 19.79%. EBITDA increased to ₹ 1,992.69 Lacs as compared to ₹ 1,408.62 Lacs in previous year. Your Directors are confident of improved performance by the Company in financial year 2017-18.

**Consolidated performance:** The Company's consolidated gross turnover increased by ₹ 2,321.98 Lacs to ₹ 13,962.40 Lacs as compared to ₹ 11,640.42 Lacs in previous year. EBITDA increased to ₹ 2,081.95 Lacs compared to ₹ 1,436.45 Lacs in previous year.



## EXPORTS

Standalone: Your Company exported goods to the tune of ₹ 5,984.09 Lacs as against ₹ 4,062.40 Lacs in previous financial year, despite challenges/competition faced by the Company in overseas market.

## EXPANSION

The company was certified under TS 16949 last year and is now in the process of updating all related systems and procedures to conform to the new guidelines as per the newly released TS16949:2016 standard. The Company aims to have this upgrade completed by December 2017.

In addition to this, the Company has also installed and commissioned a state of the art laboratory containing test equipment for performance and reliability testing of various types of products that have end application in the automotive sector. The standards outlined by the Automotive Electronics Council (AEC) define the performance specifications accepted by all major automotive manufacturers worldwide.

Having an in-house testing facility for high precision and customized reliability and performance tests, has allowed the company to meet and often exceed the competition in terms of quality and reliability.

The development of various products in the resistor and shunt categories has led to conversion into regular commercial supplies and final qualification for automotive applications. A steady growth is expected in this area.

The Company is in the process of setting up additional manufacturing facilities at location which is near by the Company's existing plant.

## PERFORMANCE OF THE ASSOCIATE /JOINT VENTURES COMPANIES

Your Company has one Associate Company and two Joint Venture Companies as on 31st March, 2017. The members may refer to the financial statements forming part of the Annual Report as required under the provisions of Section 129(3) of the Companies Act, 2013. The key highlights of these Associate/Joint Venture companies are as under:

### (i) Shivalik Bimetal Engineers Private Limited (Associate Co.)

This Company recorded a turnover of ₹ 127.99 lacs for the year ended 31st March, 2017 (Previous year of ₹ 82.49 lacs) and also recorded a profit of ₹ 17.31 Lacs for the year ended 31st March, 2017 (Previous year of ₹ 17.05 Lacs).

### (ii) Innovative Clad Solutions Private Limited (Joint Venture Co.)

This Company recorded a turnover of ₹ 4,731.59 Lacs for the year ended 31st March, 2017 (Previous year of ₹ 2,920.35 Lacs) and also recorded a Loss of ₹ 479.66 Lacs for the year ended 31st March, 2017 (Previous year of ₹ 554.68 Lacs).

### (iii) Checon Shivalik Contact Solutions Private Limited (Joint Venture Co.)

This Company recorded a turnover of ₹ 2,042.71 lacs for the year ended 31st March, 2017 (Previous year of ₹ 1,535.91 lacs) and also recorded a profit of ₹ 73.92 lacs for the year ended 31st March, 2017 (Previous year of ₹ 8.07 Lacs).

A statement containing salient features of the financial statements of the Associate/Joint Venture Companies in form AOC-1(Part-B) is given in 'Annexure -A' to this Report.

Further, in accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing the Standalone and the Consolidated Financial Statements alongwith the Audited Annual Accounts of each Associate and Joint Venture Companies, have been placed on the website of the Company i.e. [www.shivalikbimetals.com](http://www.shivalikbimetals.com).

## DIVIDEND

The Board of Directors has recommended a final dividend of ₹ 0.25 (i.e., 12.5%) per Equity Share of the face value of ₹ 2/- each (Last year: Nil) for the year ended 31st March, 2017, amounting to ₹ 57.78 Lacs (including corporate dividend tax). This is in addition to the interim dividend of ₹ 0.25 ( i.e., 12.5%) per equity share of ₹ 2/- each ( last year : Nil) each in its Board Meeting on 08th February, 2017 and which was paid on 06th March, 2017 amounting to





₹ 57.78 Lacs (including corporate dividend tax). The total dividend per equity share for year ended 31st March, 2017 is ₹ 0.50 (i.e., 25%) and total dividend payout is ₹ 115.56 Lacs (including corporate dividend tax).

The Register of Members and Share Transfer Books will remain closed from 21st September, 2017 and 27th September, 2017 (both days inclusive).

### **ISSUE OF BONUS SHARES**

Your Directors at their meeting held on 23rd day of August, 2017 have recommended a Bonus Issue of shares in the ratio of 1:1 fully paid up Bonus Equity share of ₹ 2/- each for every One (1) fully paid up equity share of ₹ 2/- each as on the record date to be determined. The Bonus Issue is subject to the approval of members at the ensuing Annual General Meeting.

### **TRANSFER TO RESERVE**

The Company has transferred a sum of ₹ 200 Lacs in the General Reserve out of the amount available for appropriations.

### **PUBLIC DEPOSITS**

During the year under review, your Company has not invited any deposits from public/shareholders under Section 73 and 74 of the Companies Act, 2013.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Directors**

In accordance with the provisions of the Act, Mrs. Harpreet Kaur (DIN: 07012657) Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The Board of Directors recommends her re-appointment.

The Board of Directors in their meeting held on 23rd day of August, 2017 have re-appointed Mr. S.S. Sandhu (DIN No. 00002312) as Whole Time Director designated as Chairman of the Company for a further period of five years w.e.f. 01st August, 2018 to 31st July, 2023, subject to the approval of the shareholders of the Company. The resolutions pertaining to their re-appointment are set out in Item No. 7 of the Notice of the forthcoming Annual General Meeting.

Pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment(s) thereof, for the being in force), Mr. N. S. Ghuman (DIN No. 00002052), was re-appointed as Managing Director of the Company for a period of five years w.e.f. 01st April, 2016 to 31st March, 2021 at the 32nd Annual General Meeting of the Company held on 20th September, 2016 at a remuneration, perquisites and other terms and conditions, as approved by the Board in its meeting held on 09th February, 2016.

The Nomination and Remuneration Committee in their meeting held on 08th February, 2017 have recommended the appointment of the all the existing Independent Directors for a term of five consecutive with effect from 27th September, 2017, not liable to retire by rotation, subject to the approval of the members.

The Company has received declaration from all independent Directors of the Company to the effect that they meet criteria of independence as stipulated u/s 149(6) of the Act and applicable regulations of LODR Regulations.

The resolutions pertaining to above appointments as Independent Directors are set out at Item Nos. 10 to 13 of the Notice of the forthcoming Annual General Meeting.

#### **Key Managerial Personnel**

During the year under review, Mr. Mukesh Kumar Verma, CFO relinquished his office in the capacity of CFO and promoted as Executive Director - Commercial & Administration of the Company. Mrs. Aarti Jassal was appointed as Company Secretary of the Company w.e.f 21st December, 2016 and Mr. Rajeev Ranjan was appointed as Chief Financial Officer of the Company w.e.f 08th February, 2017. There has been no change in any other Key Managerial Personnel of the Company during the year.



## ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. A structured questionnaire was prepared after circulating the drafts forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was done by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman, Board as a whole and the Non-Independent Directors was carried out by the Board excluding the Directors being evaluated. The Board of Directors expressed their satisfaction with the evaluation process.

## NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

During the year under review, Six (6) Board Meetings and five (5) Audit Committee Meetings were convened and held, the details of aforesaid meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

## AUDITORS

### Statutory Auditors

The Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors, pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of one terms of five consecutive year. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as an Auditors' in the same Company. The incumbent auditors' Malik S. & Co., Chartered Accountants (Firm registration number : 000383N) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 33rd Annual General Meeting.

Pursuant to the provisions of Section 139 of the Companies Act, 2013, the tenure of current auditors - M/s Malik S. & Co., Chartered Accountants (Firm registration number : 000383N), shall come to an end at the conclusion of forthcoming AGM. Accordingly, M/s. Arora Gupta & Co., Chartered Accountants, (Firm Registration No. 021313C) have been recommended by the Audit Committee and by the Board to be appointed as Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the ensuing 33rd Annual General Meeting until the conclusion of 38th Annual General Meeting of the Company to be held in the calendar year 2022, subject to annual ratification by members at every Annual General Meeting, on such remuneration as may be decided by the Audit Committee of the Board. They being eligible have consented and offered themselves for appointment as statutory auditors for conducting audit of accounts for five consecutive financial years starting from 2017-18, which will include the audit of the quarterly financial statements for the year.

### Auditors Report

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

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s R Miglani & Co., Company Secretaries, New Delhi, to conduct the Secretarial Audit of your Company. The Secretarial Audit Report in form MR-3



for the financial year ended 31st March 2017 is annexed herewith as **‘Annexure-B’** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2016-17 which call for any explanation from the Board of Directors.

M/s R Miglani & Co., Company Secretaries have been re-appointed to conduct the Secretarial Audit of the Company for the financial year 2017-18 and they confirmed their eligibility for the said re-appointment.

### **Cost Auditors**

Based on the recommendation of Audit Committee, Mr. Ramawatar Sunar, Cost Accountants, (FRN:100691) being eligible, have been appointed by the Board in its meeting held on 23rd day of August, 2017 as the Cost Auditors’ of the Company for the Financial Year 2017-18, with the remuneration to be decided by the Board of Directors, with the ratification by the shareholders. The Company has received a letter from them to the effect that their appointment would be within the limits prescribed under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of section 141 of the Companies Act, 2013.

### **INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY**

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

### **EXTRACT OF ANNUAL RETURN**

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

### **CORPORATE GOVERNANCE REPORT INCLUDING MANAGEMENT AND DISCUSSION ANALYSIS REPORT**

As per the applicable provisions of the LODR Regulations 2015, a detailed Corporate Governance Report together with the Auditors’ Certificate on the compliance of conditions of Corporate Governance and Management Discussion & Analysis Report forms part of the Annual Report and annexed as **‘Annexure – D & E’** to this Report.

The Corporate Governance Report forming part of this Report also covers the following:

- a) Particulars of the Board Meetings held during the Financial Year 2016-17.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for the performance evaluation of Directors.
- c) The details with respect to composition of Committees and establishment of Vigil Mechanism (including Whistle Blower Mechanism/Policy)

### **PARTICULAR OF CONTRACT /ARRANGEMENT WITH RELATED PARTIES**

All Related party transactions are entered on an arm’s length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

All Related Party Transactions are presented to the Audit Committee. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.



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

During the year, the Company has not entered into any contract/ arrangement with a related party as specified under section 188 of the Companies Act, 2013. Therefore, disclosure in Form AOC-2 is not required. Your Directors draw attention of the Shareholders to Note No.37 of the financial statements which set out related party disclosures.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has in place a CSR Policy in line with Schedule VII of the Companies Act, 2013. As per the policy the CSR activities are focused not just around the plants and offices of the Company, but also in other geographies based on the needs of the communities. The four focus areas where special Community Development programmes are run are:

- Promote education;
- Create sustainable livelihood opportunities;
- Infrastructure Development;
- Women Empowerment;

The Annual Report on CSR activities for the Financial Year 2016-17 is annexed as 'Annexure – F' to this Report pursuant to Rule 8 of The Companies (Corporate Social Responsibility) Rules, 2014.

## CREDIT RATING

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

Bank Facilities	Amount (₹ Crore)	Ratings	Remarks
Long Term Bank Facilities (Term Loan)	2.44 (reduced from 4.15)	CARE BBB; Stable [Triple B; Outlook: Stable]	Reaffirmed
Short Term Bank Facilities (Non-Fund Based)	40.00	CARE A3+ [A Three Plus]	Reaffirmed
Long/Short Term Bank Facilities (Fund Based)	26.00	CARE BBB; Stable/CARE A3+ [Triple B Plus; Outlook: Stable/A Three Plus]	Reaffirmed
<b>Total Facilities</b>	<b>68.44 (Rupees Sixty Eight Crore and Forty Four Lakhs)</b>		

## DETAILS OF NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL IN TERMS OF SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

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

There were no complaints received during the Financial Year 2016-17.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;



- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on 31st March, 2017.;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

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

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

Further, the Company has no person in its employment drawing salary of ₹ 1.02 Crores per annum or ₹ 8.50 lacs per month (Excluding whole-time Directors- details of whom are given hereunder) as defined under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) and 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Name of Employee	Designation/ Nature of Duties	Remuneration (₹ in lacs)	Qualification	Age (years)	Experience (No. of years)	Date of Commencement of employment	Particulars of previous employment
1	2	3	4	5	6	7	8	9
1.	Mr. S.S. Sandhu	Chairman	113.48	B.A. (Pass)	63	45	01/09/1992	N.A.
2.	Mr. N.S. Ghumman	Managing Director	113.37	B.E. (Hons.)	66	44	18/06/1984	M/s Tradex Gestion SA General of Switzerland

#### Notes:

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

#### Other Disclosure:-

- the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2016-17:

Mr. S.S.Sandhu	Chairman	Median 1:51
Mr. N.S.Ghumman	Managing Director	Median 1:51

- II. the percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year 2016-17:

Mr. S.S. Sandhu	Chairman	37.83%
Mr. N.S. Ghumman	Managing Director	39.51%
Mr. Mukesh Kumar Verma*	Ex CFO	16.15%
Mr. Ram Parvesh Gupta**	Ex Company Secretary	N.A.
Mr. Rajeev Ranjan*	CFO	N.A. ***
Mrs. Aarti Jassal**	Company Secretary	N.A. ***

\* During the year 2016-17, Mr. Rajeev Ranjan has been appointed as CFO w.e.f 08.02.2017 in place Mr. Mukesh Kumar Verma.

\*\* During the year 2016-17, Mr. Ram Praveshe resigned from the post of Company Secretary of the Company w.e.f 05.09.2016 and Mrs. Aarti Jassal has been appointed as Company Secretary of the Company w.e.f 21.12.2016.

\*\*\* Being the first year of employment.

- III. the percentage increase in the median remuneration of employees in the financial year 2016-17: Median -16.32 %.
- IV. the number of permanent employees on the rolls of Company— 296 nos.
- V. average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in the remuneration of all the employees excluding KMP's 10.80%.

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

- VI. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company hereby affirms that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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

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

### (A) Conservation of energy-

- (i) Some of the steps taken for conservation of energy are;
- The company has installed a new, higher capacity and higher efficiency effluent treatment plant, and providing 100% recycling of all waste water generated from manufacturing processes. This has drastically reduced dependency on outside agencies for water treatment and allows the company to ensure that environmental impact is minimized.
  - Rain water harvesting systems has been improved and new tanks have been installed to increase storage capacity.
  - Paper consumption monitoring has been started with targets and action plans defined to reduce the same.
  - The distribution network for compressed air throughout the manufacturing has been upgraded to eliminate leakages. This has reduced load and energy consumption by approximately 40%.
- (ii) The steps taken by the Company for utilizing alternate sources of energy;
- Reducing AC temperature by 1 degree.
  - Switching of Monitors during Lunch Break.
  - Compulsory Switching off Lights while leaving office.





(iii) The capital investment on energy conservation equipment;

₹ Nil

## (B) Technology Absorption

(i) the efforts made towards technology absorption;

- Continuous enhancements of the Research and Development wing with additions by way of the latest test equipment and performance testing methods.
- Enhancement of existing manufacturing equipment with improved electronics and data logging systems.
- Automation of certain processes to lead to defect free manufacturing.
- Testing and simulation technology upgradation.

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

- Reduction in internal rejections and external customer complaints.
- Improvement of production efficiency.
- Development of new products.
- Development and validation of new processes and process enhancements.

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

- The details of technology imported - N.A.
- The year of import - N.A.
- Whether the technology been fully absorbed- N.A.
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; - N.A.

(iv) The expenditure incurred on Research and Development.

a) Capital Expenditure	: ₹ 65.55 Lacs
b) Recurring Expenditure	: ₹ 19.24 Lacs
c) Total	: ₹ 84.79 Lacs
d) Total R & D expenditure as a percentage of total turnovers	: 0.66%

## (C) Foreign exchange earnings and Outgo

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

Earnings in Foreign exchange	₹ 5,737.57 Lacs
Expenditure in Foreign currency	₹ 5,085.22 Lacs
Expenditure in Foreign currency on Capex	₹ 32.70 Lacs

## SIGNIFICANT/ MATERIAL ORDERS PASSED BY THE REGULATORS

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

## GENERAL SHAREHOLDER INFORMATION

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

## REQUEST TO THE MEMBERS

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





- Inform the Company / our registrar / Depository Participants, if not already done earlier, for updating details of your Permanent Account Number (PAN). The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar.
- Transferee(s) to furnish copy of their PAN Card to the Company / RTA's for registration of transfer of shares, for securities market transactions and off-market / private transactions involving transfer of shares in physical form.
- Inform your Depository Participant to reactivate your account for credit actions. Frozen Demat accounts may lead to non-credit / delayed credit of securities allotted to your account.
- Update your address with Registrar / Depository Participants to ensure timely receipt of shareholder communication. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandate to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Share Transfer Agents, M/s MAS Services Limited.
- Investors are requested to kindly note that any dividend warrant which remains un-encashed for a period of seven years will be transferred to 'Investor Education and Protection Fund' in terms of section 125 of the Companies Act, 2013. Shareholders who have not en-cashed their dividend warrants may kindly contact the Company and lodge their warrants for revalidation. The schedule of transfer of unclaimed / unpaid dividend to the 'Investor Education and Protection Fund' is given in the Corporate Governance Report forming part of this Annual Report.

#### **ACKNOWLEDGEMENTS/ APPRECIATION**

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

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

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

Place : New Delhi  
Date : 23rd August, 2017

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

#### **Registered Office:**

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

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



## ANNEXURE "A"

### Form AOC-1

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

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

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

	Name of Joint Ventures/ Associates	Joint Ventures		Associate
		Checon Shivalik Contact Solutions Private Limited	Innovative Clad Solutions Private Limited	Shivalik Bimetal Engineers Private Limited
1	<b>Latest audited Balance Sheet Date</b>	31st March, 2017	31st March, 2017	31st March, 2017
2	<b>Date on which the Associate or Joint Venture was associated or acquired</b>	01/12/2005	15/02/2008	10/03/2008
3	<b>Shares of Associate/Joint Ventures held by the company on the year end</b>			
	No.	17,10,900	1,51,20,000	2,22,750
	Amount of Investment in Associates/Joint Venture (₹ In Lacs)	221.45	1,512.00	22.28
	Extend of Holding (%)	50%	16.01%	45%
4	<b>Description of how there is significant influence</b>	2(6)	2(6)	2(6)
5	<b>Reason why the associate/joint venture is not consolidated</b>	Consolidated	Consolidated	Consolidated
6	<b>Net worth attributable to shareholding as per latest audited Balance Sheet</b>	(₹ In Lacs)		
		606.73	1834.63	116.64
7	<b>Profit/Loss for the year</b>	73.91	(479.66)	17.31
	Considered in Consolidation	36.95	(76.79)	7.79
	Not Considered in Consolidation	36.95	(402.87)	9.52

For and on behalf of the Board

**Sd/-**  
**Rajeev Ranjan**  
**CFO**

**Sd/-**  
**Aarti Jassal**  
**Company Secretary**  
M. No.A25690

**Sd/-**  
**N S Ghuman**  
**Managing Director**  
DIN: 00002052

**Sd/-**  
**S S Sandhu**  
**Chairman**  
DIN: 00002312

Place : New Delhi

Date : 23rd August, 2017



## ANNEXURE “B”

### FORM NO. MR-3

#### Secretarial Audit Report

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

To,  
The Members,  
**SHIVALIK BIMETAL CONTROLS LIMITED**  
**16-18, New Electronics Complex, Chambaghat Distt. Solan,**  
**Himachal Pradesh-173213**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2017 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under, as applicable;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable to the Company during the Audit Period);
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);
- vi. As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to the industry generally, namely;



- (a) Factories Act, 1948
- (b) Payment of Wages Act, 1936, and rules made there under,
- (c) The Minimum Wages Act, 1948, and rules made there under,
- (d) Employees' State Insurance Act, 1948, and rules made there under,
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
- (f) The Payment of Bonus Act, 1965, and rules made there under,
- (g) Payment of Gratuity Act, 1972, and rules made there under,
- (h) The Water (Prevention and Control Pollution) Act, 1974.
- (i) The Air (Prevention and Control Pollution) Act, 1981,
- (j) Industrial Dispute Act, 1947,

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

- i. The Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Obligations & Disclosure Requirements (LODR) already entered into by the Company with Bombay Stock Exchange Limited.

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

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

**I further report that;**

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 2. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent with in prescribed limit, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the audit period the Company has not made any major changes in the following events/ actions in pursuance of the below law, rules, regulations and guidelines.

- i. Public/Right/Preferential issue of shares/debentures/sweat equity etc.
- ii. Redemption/Buy Back of securities
- iii. Major decision taken by the members in pursuance to Section 180 of the Companies Act, 2013
- iv. Merger/Amalgamation/Reconstruction etc.
- v. Foreign Technical Collaborations.

For **R MIGLANI & CO.**  
Company Secretaries

Date : 23rd August, 2017  
Place : New Delhi

**Sd/-**  
**CS Rajni Miglani**  
Proprietor  
ACS: 30016  
C.O.P No: 11273



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**Annexure- 1 of Form No. MR-3**

To,  
The Members,  
**SHIVALIK BIMETAL CONTROLS LIMITED**  
**16-18, New Electronics Complex, Chambaghat Distt. Solan,**  
**Himachal Pradesh-173213**

Report is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as we were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The Verification was done on test basis to ensure that correct facts are reflected in secretarial records.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and any other financial law applicable to the Company.
4. Whenever required, I have obtained the Management representation about the compliance of Laws, rules and regulation and happening of events etc.
5. The Compliance of the provision of Corporate and other applicable laws, rules, regulation, Standards is the responsibility of Management. My Examination was limited to the Verification of Procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R MIGLANI & CO.**  
**Company Secretaries**

Date : 23rd August, 2017  
Place : New Delhi

**Sd/-**  
**CS Rajni Miglani**  
**Proprietor**  
ACS: 30016  
C.O.P No: 11273



## ANNEXURE “C”

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

As on financial year ended on 31.03.2017

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

#### I. REGISTRATION & OTHER DETAILS:

CIN	<b>L27101HP1984PLC005862</b>
Registration Date	18/06/1984
Name of the Company	<b>SHIVALIK BIMETAL CONTROLS LIMITED</b>
Category/Sub-category of the Company	Public Company
Address of the Registered office & contact details	16-18, New Electronics Complex, Chambaghat, Distt. Solan-173213, Himachal Pradesh. Phone : +91-1792-230578, 230175 Fax : +91-1792-230475, 230578 E-mail : shivalik@shivalikbimetals.com Website: www.shivalikbimetals.com
Whether listed company	Yes (Bombay Stock Exchange)
Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s MAS Services Ltd. 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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Thermostatic Bi-metal/Tri-metal Strips & Parts	24204	67.58%
2	Shunt (Resisters)	24201	31.26%
3	Job work for Indian Ordinance	24209	1.16%

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

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

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

#### A Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-04-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) Indian									
a) Individual/ HUF	3929000	0	3929000	20.462	2971000	0	2971000	15.472	-4.990
b) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
c) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
d) Bodies Corp.	7953134	0	7953134	41.419	8905134	0	8905134	46.377	4.957
e) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
f) Any other	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub-total (A)(1):-</b>	<b>11882134</b>	<b>0</b>	<b>11882134</b>	<b>61.881</b>	<b>11876134</b>	<b>0</b>	<b>11876134</b>	<b>61.850</b>	<b>-0.033</b>
<b>(2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0.000	0	0	0	0.000	0.000
h) Other-Individuals	0	0	0	0.000	0	0	0	0.000	0.000
i) Bodies Corp.	0	0	0	0.000	0	0	0	0.000	0.000
j) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
k) Any other	0	0	0	0.000	0	0	0	0.000	0.000





Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-04-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>Total shareholding of Promoter (A)</b>	<b>11882134</b>	<b>0</b>	<b>11882134</b>	<b>61.881</b>	<b>11876134</b>	<b>0</b>	<b>11876134</b>	<b>61.850</b>	<b>-0.031</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.000	0	0	0	0.000	0.000
b) Banks / FI	1000	0	1000	0.005	1000	0	1000	0.005	0.000
c) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
d) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
g) FIIs	0	0	0	0.000	0	0	0	0.000	0.000
h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
i) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub-total (B)(1):-</b>	<b>1000</b>	<b>0</b>	<b>1000</b>	<b>0.005</b>	<b>1000</b>	<b>0</b>	<b>1000</b>	<b>0.005</b>	<b>0.000</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	232178	5001	237179	1.235	274050	3001	277051	1.442	0.207
ii) Overseas	0	0	0	0.000	0	0	0	0.000	0.000
b) Individuals				0.000					
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4809383	884800	5694183	29.655	4554511	743800	5298311	27.593	-2.062
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1096925	0	1096925	5.713	1572105	0	1572105	8.187	2.474
c) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
			0	0.000			0	0.000	0.000
Non Resident Indians	0	0	0	0.000	49981	0	49981	0.260	0.260
Overseas Corporate Bodies	0	0	0	0.000	0	0	0	0.000	0.000
Foreign Nationals	0	0	0	0.000	0	0	0	0.000	0.000
Clearing Members	245483	0	245483	1.278	125818	0	125818	0.655	-0.623
<b>Trusts</b>	<b>1000</b>	<b>0</b>	<b>1000</b>	<b>0.005</b>	<b>1000</b>	<b>0</b>	<b>1000</b>	<b>0.005</b>	<b>0.000</b>



Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-04-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Bodies - D R	0	0	0	0.000	0	0	0	0.000	0.000
Sub-total (B)(2):-	6428465	889801	7318266	38.113	6577465	746801	7324266	38.144	0.031
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6429465	889801	7319266	38.118	6578465	746801	7325266	38.149	0.000
(C) Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.000
Grand Total (A+B+C)	18311599	889801	19201400	100.000	18454599	746801	19201400	100.000	0.000

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	S. S. SANDHU	288000	1.500	0	288000	1.500	0	0.000
2	D. J. S. SANDHU	101000	0.526	0	101000	0.526	0	0.000
3	N. S. GHUMMAN	1465000	7.630	0	1465000	7.630	0	0.000
4	MANJIT KAUR	585000	3.046	0	83000	0.432	0	-2.614
5	SHANA GHUMMAN	12000	0.062	0	12000	0.062	0	0.000
6	GURDIAL KAUR	32000	0.167	0	32000	0.167	0	0.000
7	TEJINDERJEET KAUR GHUMMAN	296000	1.542	0	296000	1.542	0	0.000
8	SARITA SANDHU	666000	3.468	0	216000	1.124	0	-2.344
9	GURBIR SANDHU	323000	1.682	0	323000	1.682	0	0.000
10	ANGAD SANDHU	152000	0.792	0	152000	0.792	0	0.000
11	JASPAL SINGH DHILLON	2000	0.010	0	2000	0.010	0	0.000
12	JIT MOHINDER SINGH	6000	0.031	0	0	0	0	-0.031
13	SUMER GHUMMAN	1000	0.005	0	1000	0.005	0	0.000
14	O D FINANCE AND INVESTMENT PVT. LTD.	1536989	8.004	0	2488989	12.962	0	4.958

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
15	ULTRA PORTFOLIO MANAGEMENT PVT. LTD.	978590	5.096	0	978590	5.096	0	0.000
16	TSL HOLDINGS LIMITED	2790200	14.531	0	2790200	14.531	0	0.000
17	B.S.SANDHU AND ASSOCIATES PVT. LTD.	285200	1.485	0	285200	1.485	0	0.000
18	ANGAD ESTATES PVT. LTD.	1655000	8.619	0	1655000	8.619	0	0.000
19	AMAR ENGINEERING COMPANY PVT. LTD.	707155	3.683	0	707155	3.683	0	0.000
	<b>Total</b>	<b>11882134</b>	<b>61.881</b>	<b>0</b>	<b>11876134</b>	<b>61.850</b>	<b>0</b>	<b>-0.031</b>

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		<b>11882134</b>	<b>61.880</b>	<b>11876134</b>	<b>61.850</b>
There is minor change in promoter's shareholding due to one of the promoter Mr Jit Mohinder Singh sell their shares.					

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

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

S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	LINCOLN P COELHO	01-04-2016	200000	1.042			200000	1.042
		31-03-2017					200000	1.042
2	BHAVNA GOVINDBHAI DESAI	01-04-2016	183566	0.956			183566	0.956
		03-02-2017			566		183000	0.953

S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
		31-03-2017					183000	0.953
3	MAHENDRA CHAN-DULAL DHARU	01-04-2016	0	0			0	0
		08-04-2016				2052	2052	0.011
		09-09-2016				107136	109188	0.569
		04-11-2016				12273	121461	0.633
		09-12-2016				5999	127460	0.664
		03-02-2017				31592	159052	0.828
		03-03-2017				15587	174639	0.910
		31-03-2017				0	174639	0.910
4	PREMILABEN MAHENDRAKUMAR DHARU	01-04-2016	0	0			0	0
		08-04-2016				1350	1350	0.007
		09-09-2016				95617	96967	0.505
		23-09-2016			1080		95887	0.499
		04-11-2016				5917	101804	0.530
		11-11-2016			3679		98125	0.511
		09-12-2016				811	98936	0.515
		06-01-2017				1216	100152	0.522
		03-03-2017				39719	139871	0.728
		31-03-2017					139871	0.728
5	SHIVALIK BIMETAL CONTROLS LTD-UN-CLAIMED SUSPENSE ACCOUNT	01-04-2016	0	0	-	-	0	0
		31-03-2017					121000	0.63
6	BHARATI BHARAT DATTANI	01-04-2016	115925	0.604			115925	0.604
		31-03-2017					115925	0.604
7	VIDHYA VASANT	01-04-2016	0	0			0	0
		08-04-2016				4132	4132	0.022
		09-09-2016				4100	8232	0.043
		23-09-2016				1268	9500	0.049
		11-11-2016				1000	10500	0.055
		25-11-2016				2700	13200	0.069



S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
		12-12-2016				1101	14301	0.074
		13-01-2017				92650	106951	0.557
		10-02-2017				2000	108951	0.567
		31-03-2017					108951	0.567
8	BHARAT JAMNADAS DATTANI	01-04-2016	86957	0.453			86957	0.453
		31-03-2017					86957	0.453
9	KESHAV GARG	01-04-2016	0	0			0	0
		24-06-2016					1	0.000
		17-02-2017				1749	1750	0.009
		03-03-2017				22597	24347	0.127
		10-03-2017				20867	45214	0.235
		17-03-2017				18011	63225	0.329
		24-03-2017				14783	78008	0.406
		31-03-2017				3992	82000	0.427
10	SUNIL KUMAR GUPTA	01-04-2016	90000	0.469			90000	0.469
		23-09-2016			5000		85000	0.443
		30-12-2016			5000		80000	0.417
		31-03-2017					80000	0.417
11	ANGEL FINCAP PRIVATE LIMITED	01-04-2016	145078	0.756			145078	0.756
		08-04-2016				21	145099	0.756
		22-04-2016				3375	148474	0.773
		29-04-2016				1281	149755	0.780
		06-05-2016				3203	152958	0.797
		20-05-2016				6392	159350	0.830
		27-05-2016				2417	161767	0.842
		03-06-2016				100	161867	0.843
		10-06-2016				356	162223	0.845
		30-06-2016				175	162398	0.846
		01-07-2016				555	162953	0.849
		08-07-2016				425	163378	0.851
		15-07-2016				2090	165468	0.862
		22-07-2016				1216	166684	0.868
		29-07-2016				2300	168984	0.880

S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
		05-08-2016				3223	172207	0.897
		12-08-2016			3773		168434	0.877
		19-08-2016				934	169368	0.882
		02-09-2016				29835	199203	1.037
		09-09-2016			198513		690	0.004
		13-09-2016				100	790	0.004
		16-09-2016				1800	2590	0.013
		19-09-2016			1500		1090	0.006
		23-09-2016			100		990	0.005
		30-09-2016			150		840	0.004
		07-10-2016				6629	7469	0.039
		14-10-2016				4850	12319	0.064
		21-10-2016				1152	13471	0.070
		28-10-2016				2528	15999	0.083
		04-11-2016			10006		5993	0.031
		11-11-2016				3817	9810	0.051
		18-11-2016			3000		6810	0.035
		02-12-2016				25	6835	0.036
		09-12-2016			6810		25	0.000
		30-12-2016				1221	1246	0.006
		06-01-2017			1216		30	0.000
		13-01-2017				26276	26306	0.137
		20-01-2017				22957	49263	0.257
		27-01-2017				6114	55377	0.288
		03-02-2017				41775	97152	0.506
		10-02-2017			58696		38456	0.200
		17-02-2017				7949	46405	0.242
		03-03-2017			40798		5607	0.029
		10-03-2017			300		5307	0.028
		24-03-2017				4256	9563	0.050
		31-03-2017			9563		0	0.000
12	VANDANA DANI	01-04-2016	90325	0.470			90325	0.470
		29-07-2016			5750		84575	0.440
		05-08-2016				300	84875	0.442



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

S.N.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. S. S. Sandhu</b>				
	At the beginning of the year	288000	1.50	288000	1.50
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	288000	1.50	288000	1.50
2.	<b>Mr. N. S. Ghumman</b>				
	At the beginning of the year	1465000	7.63	1465000	7.63
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
	At the end of the year	1465000	7.63	1465000	7.63

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

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3809.47	438.08	-	4247.55
ii) Interest due but not paid	4.25	-	-	4.25
iii) Interest accrued but not due	5.46	1.50	-	6.96
<b>Total (i+ii+iii)</b>	3819.18	439.58	-	4258.76
<b>Change in Indebtedness during the financial year</b>				
* Addition	135.60	219.09	-	354.69
* Reduction	-1496.92	-173.46	-	-1670.39
<b>Net Change</b>	-1361.33	45.63	-	-1315.70
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2449.49	483.72	-	2933.21
ii) Interest due but not paid	2.70	-	-	2.70
iii) Interest accrued but not due	5.66	1.49	-	7.15
<b>Total (i+ii+iii)</b>	2457.85	485.21	-	2943.06

## VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lacs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Amount
		Mr. S.S. Sandhu	Mr. N.S. Ghumman	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	104.10	104.10	208.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	9.38	9.27	18.55
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	113.48	113.37	226.85
	Ceiling as per the Act	168.00	168.00	336.00

### B. Remuneration to other directors

(Amount in ₹)

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Rohit Kapur	Mr. G. S. Gill	Mr. N. J. S. Gill	Lt. Gen. Pradeep Khanna (Retd.)	Capt. J. S. Mann (Retd.)	Mrs. Harpreet Kaur	
1	Independent Directors	-	-	-	-	-	-	-
	Fee for attending board committee meetings	10000	8000	8000	10000	6000	10000	52000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	10000	8000	8000	10000	6000	10000	52000
2	Other Non-Executive Directors	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1+2)	10000	8000	8000	10000	6000	10000	52000
	Total Managerial Remuneration	10000	8000	8000	10000	6000	10000	52000
	Overall Ceiling as per the Act	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits



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

(Amount in ₹)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS*	CFO**	Total
1	Gross salary	NA			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	2,62,060	2,15,911	4,77,971
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	21,266	20,426	41,692
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	NA	Nil	Nil	Nil
3	Sweat Equity	NA	Nil	Nil	Nil
4	Commission	NA	Nil	Nil	Nil
	- as % of profit	NA	Nil	Nil	Nil
	others, specify...	NA	Nil	Nil	Nil
5	Others, please specify-Contribution to G. Trust	NA	3,256	4,578	7,834
	<b>Total</b>		<b>2,86,582</b>	<b>2,40,915</b>	<b>5,27,497</b>

\* Mrs. Aarti Jassal has appointed as Company Secretary w.e.f. 21st December, 2016.

\*\* Mr. Rajeev Ranjan has appointed as CFO w.e.f. 8th February, 2017.  
(Remuneration shall be mentioned on the pro-rata basis.)

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

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

Place : New Delhi  
Date : 23rd August, 2017

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

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

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



## ANNEXURE “D”

### CORPORATE GOVERNANCE REPORT

**The Directors present the Company’s Report on Corporate Governance for the year ended 31st March, 2017**

#### 1. Company Philosophy on Code of Corporate Governance

Your Company firmly believes that good Corporate Governance practices are ingredients for the balanced development of an organization and that they not only maximize the shareholder's value but also contribute to the sustained and long lasting development of the organization. The Board of Directors believes in ethical values and high moral standards for achieving the highest standards of Corporate Governance.

Corporate Governance involves commitment to conduct the business in a fair, transparent and ethical manner, aimed at promoting sustainable business and enhancing shareholders' value in the long term. SHIVALIK is committed to achieve and maintain the highest standards of Corporate Governance. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices. We believe that Corporate Governance is a continuous journey for sustainable value creation for all the stakeholders driven by our values of Integrity, Commitment, Passion, Seamlessness and Speed.

The Securities & Exchange Board of India (SEBI) has notified Corporate Governance provisions and as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, {“LODR Regulations, 2015”} the Company has been complying with these provisions effectively. Your Company acknowledges and believes that all its actions must serve the main goal of enhancing overall shareholder value on a sustained basis.

#### 2. Board of Directors

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-executive professional Directors. The Board currently comprises of 8 (Eight) of which 2 (Two) Executive Directors and 6 (Six) are Non-Executive Directors including 1 (one) Woman Director. All the Independent Directors have confirmed that they meet the "Independence" criteria as mentioned under the Regulation 25 of the Listing Regulations as on 31st March, 2017. The composition of the Board is in conformity with Regulation 17 of the LODR Regulations, 2015.

- a) The names and categories of the Directors on the Board along with their attendance at the Board meetings held during the year ended 31st March, 2017 and at the last Annual General Meeting, and the number of other Directorship and Chairmanship / Membership of Committees held by them in both listed and unlisted companies is given below:

Name and Designation	Category (i.e. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director)	No. of Board Meetings attended (Out of 6 meetings held)	*Number of other Boards in which he / she is a Director or Chairperson	**Number of other Board Committee(s) in which he / she is a Member or Chairperson		Attendance at the last AGM (held on 20th September, 2016)
				Committee Membership	Committee Chairperson	
Mr. S. S. Sandhu (Chairman)	Executive Director	6	1	-	-	Yes
Mr. N.S. Ghumman (Managing Director)	Executive Director	5	-	-	-	Yes
Mr. Gurmeet Singh Gill (Director)	Non-Executive and Non Independent	4	-	-	-	No
Mrs. Harpreet Kaur (Director)	Non-Executive and Non Independent	5	-	-	-	No



Mr. Nirmaljeet Singh Gill (Director)	Non-Executive and Independent	4	-	-	-	Yes
Mr. Rohit Kapur (Director)	Non-Executive and Independent	5	-	-	-	No
Lt. Gen. Pradeep Khanna (Retd.) (Director)	Non-Executive and Independent	5	-	-	-	No
Capt. Jitender Singh Mann (Retd.) (Director)	Non-Executive and Independent	3	-	-	-	No

\* This includes Directorship in public limited companies (including subsidiaries of public limited companies) and excludes Directorship in associations, private, foreign and Section 8 companies.

\*\* Represents Chairmanship/Membership of Audit Committee and Stakeholder Relationship (Shareholders'/Investors' Grievance) Committee. This includes Chairmanship/Membership in public limited companies (including subsidiaries of public limited companies) and excludes Chairmanship/Membership in private, foreign and Section 8 companies.

#### Notes:

- (i) None of the Independent Directors are holding Directorships in more than seven listed companies.
- (ii) None of the Functional Directors are acting as Independent Director in any listed company.
- (iii) The company has not issued any convertible instruments.

#### b) Number of Board Meetings

The Board meets at regular intervals to review the performance of the Company. During the year under review, besides meeting of Committee of Directors, Six Board Meetings were held on 18th April, 2016, 30th May, 2016, 11th August, 2016, 08th November, 2016, 21st December, 2016 and 08th February, 2017. The maximum gap between any two Board meetings was less than 120 days.

#### c) Board Procedure

The meetings of the Board of Directors are generally held at the Company's Head office in New Delhi. The meetings are generally scheduled well in advance. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the quarterly performance and the financial results. The time gap between two meetings was not more than three months. The agenda for the meetings is prepared by the concerned officials, and approved by Chairman. The Board papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarification as and when required.

In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. The members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.

#### d) Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on 08th February, 2017 without the attendance of Non-Independent Directors and members of the Management as required under Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;





- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non- Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors attended the meeting.

#### e) **Familiarization Programme**

In Compliance of Regulation 46(2) (i) of LODR Regulations 2015, Familiarization Programme as Organized by the Company in terms of Regulation 25(7) of LODR Regulations 2015 (earlier Clause 49(II)(B)(7)(a) of the Listing Agreement) are appearing on the website of the Company (in investor relations section under corporate governance section) at the web link <http://www.shivalikbimetals.com/images/pdf/familiarisation-programme-for-independent-directors.pdf>.

#### f) **Performance Evaluation**

A formal evaluation mechanism is in place for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation was done based on the criteria which includes, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees. The Directors expressed their satisfaction with the evaluation process.

#### g) **Code of Conduct**

The Board of Directors has adopted and laid down the Code of Conduct for all Directors and Senior Management Personnel. The Code is posted and available at the website of the Company <http://www.shivalikbimetals.com/about-us.php?pageId=8>. The members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended on 31st March, 2017. The Annual Report of the Company contains a declaration by the Chairman and Whole Time Director in terms of para D of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 based on the compliance declarations received from the Board and Senior Management.

#### h) **Compliance Reports**

To the best of the knowledge and belief, the Company is complying with all applicable laws as on date. The Board has reviewed Compliance Report of all Laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances.

#### i) **Code of Conduct for Prevention of Insider Trading**

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

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

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

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



#### **j) Related Party Transaction**

All the related party transactions are strictly done on arm's length basis and ordinary course of Business. The Company places all the relevant details of a related party transaction, before the Audit Committee from time to time. There was no material related party transaction, which are not in the normal course of the business, entered into by the company during the year. Attention of the Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts forming part of the financial statements. The Board of Directors have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company at <http://www.shivalikbimetals.com/images/pdf/related-party-transaction-policy.pdf>.

#### **k) Details of establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation that no personnel has been denied access to the Audit Committee**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal and unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which employees are free to report violations of applicable laws and regulations and Code of Conduct. The whistle blower mechanism is reviewed by the Audit Committee. Employees can also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The said policy has been also put up on the website of the Company at <http://www.shivalikbimetals.com/images/pdf/wistle-blower-policy-sbcl.pdf>.

#### **l) Policy for Preservation of Documents**

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

#### **m) Disclosure Policy**

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

### **3. Committees of the Board of Directors**

The Board of Directors has constituted following Committees of Directors with adequate delegation of powers to discharge urgent business of the Company:

- i. Audit Committee
- ii. Stakeholders Relationship Committee
- iii. Nomination & Remuneration Committee
- iv. Corporate Social Responsibility Committee

The detailed terms of reference, composition and other details of the Committees are as under:

#### **i. AUDIT COMMITTEE**

##### **Composition and attendance of the members of the Audit Committee**

In terms of LODR Regulations, 2015, read with Section 177 of the Companies Act, 2013, during the period under review, an Audit Committee initially comprised 3 (Three) Non-Executive & Independent Directors and 1 (one) whole-time Director viz., Mr. Nirmaljeet Singh Gill (having financial and accounting knowledge), Mr. Gurmeet Singh Gill, Mrs. Harpreet Kaur and Mr. S. S. Sandhu as members of the Committee.

During the period under review, there is a change in category of Mr. Gurmeet Singh Gill & Mrs. Harpreet Kaur from Non- Executive & Independent Director to Non- Executive & Non-Independent Director.

In lieu of the above, Mr. Rohit Kapur and Lt. Gen. Pradeep Khanna (Retd.), Independent Directors of the Company, have been inducted as member of the Committee w.e.f. 01st October, 2016.

As on 31st March, 2017, the Audit Committee comprised of Mr. Nirmaljeet Singh Gill, Chairman (an Non-Executive & Independent Director), Lt. Gen. Pradeep Khanna (Retd.), Mr. Rohit Kapur and Mr. S.S. Sandhu, as members.

Two-third of the members of the Audit Committee are Independent Directors and all the members of the Audit Committee have accounting or financial Management expertise. The Company Secretary of the Company acts as the Secretary of the Committee.

The Audit Committee meets at least 4 (four) times in a year and not more than 120 days gap between two meetings. Accordingly, the Audit Committee during the FY 2016-17, met 5 (five) times on 27th May, 2016, 10th August, 2016, 07th November, 2016, 21st December, 2016 and 08th February, 2017.

The composition and attendance record of the members of the Audit Committee for the FY 2016-17 is as follows:

S No.	Name of Members	Designation	No. of Meeting held during the Year	No. of Meeting attended during the year
1	Mr. Nirmaljeet Singh Gill	Chairman	5	5
2	Mr. Gurmeet Singh Gill*	Member	5	2
3	Mr. S. S. Sandhu	Member	5	5
4	Mrs. Harpreet Kaur*	Member	5	2
5	Mr. Rohit Kapur**	Member	5	3
6	Lt. Gen. Pradeep Khanna (Retd.)**	Member	5	3

\* Mr. Gurmeet Singh Gill and Mrs. Harpreet Kaur ceased as members of the Audit Committee w.e.f 01.10.2016

\*\* Mr. Rohit Kapur and Lt. Gen. Pradeep Khanna (Retd.), Independent Directors of the Company, have been inducted as members of the Committee w.e.f. 01.10.2016.

## Terms of Reference

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

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

- Review of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management the financial statements before submission to the Board for approval.
- Reviewing with management, statutory and internal auditors, the adequacy of internal control systems and internal audit function.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.



- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external/ statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing the functioning of Whistle Blower mechanism in the Company.
- Considering such other matters the Board may specify.

## ii. **STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

In terms of section 178 of the Companies Act, 2013, Listing Regulations and other applicable provisions, a 'Stakeholders Relationship Committee' is comprising 1 (One) non-executive director, Mr. Nirmaljeet Singh Gill, Chairman and two Whole-Time Directors, Mr. S.S. Sandhu and Mr. N.S. Ghumman as members of the Committee. The quorum of the Committee is two members. The Company Secretary is the Secretary of the 'SR Committee'.

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

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

During the FY 2016-17, 5 (five) SR Committee meetings has been held on 18th April, 2016, 22nd August, 2016, 14th November, 2016, 18th February, 2017 and 27th March, 2017. Attendance at Stakeholders' Relationship Committee :

<b>Name of the Member</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Mr. Nirmaljeet Singh Gill	5	5
Mr. S. S. Sandhu	5	5
Mr. N. S. Ghumman	5	5

M/s MAS Services Limited, New Delhi, is the Registrar & Share Transfer Agent of the Company. Mrs. Aarti Jassal, Company Secretary is the Compliance Officer of the Company.



### Details of queries / complaints received from Shareholders / Investors during the year 2016-17

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

### iii. NOMINATION & REMUNERATION COMMITTEE

As per Section 178 of the Companies Act, 2013 and rules made thereunder and Regulation 19 of the LODR Regulations 2015, the Company has a duly constituted Nomination and Remuneration Committee's ("NRC").

#### The terms of reference of the NRC inter alia, includes the following:

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

In addition to the above, NRC will carry out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.

Initially the Composition of the NRC constituted with 3 (Three) Non-Executive & Independent Director viz., Mr. Nirmaljeet Singh Gill, Chairman, Mr. Rohit Kapur and Mr. Gurmeet Singh Gill as Members of the Committee.

During the period under review, there is a change in category of Mr. Gurmeet Singh Gill from Non- Executive & Independent Director to Non- Executive & Non-Independent Director.

In lieu of the above, Lt. Gen. Pradeep Khanna (Retd.), Independent Directors of the Company, inducted as member of the Committee w.e.f. 01st October, 2016.

The current compositions of NRC of your Company consists of 3 (Three) Directors, namely, Mr. Rohit Kapur, Lt. Gen. Pradeep Khanna (Retd.) and Mr. Nirmaljeet Singh Gill, Independent Directors(s)

Mr. Nirmaljeet Singh Gill, an Independent Non-Executive Director is the Chairperson of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

During the Financial Year 2016 17, 3 (Three) NRC meetings were held on 10th August, 2016, December 21, 2016 and 08th February, 2017.

Attendance at Nomination & Remuneration Committee Meeting:

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. Nirmaljeet Singh Gill	3	3
Mr. Rohit Kapur	3	3



Name of the Member	No. of Meetings Held	No. of Meetings Attended
Lt. Gen. Pradeep Khanna*	3	2
Mr. Gurmeet Singh Gill**	3	1

\* Mr. Gurmeet Singh Gill ceased as member of the NRC Committee w.e.f 01.10.2016

\*\* Lt. Gen. Pradeep Khanna (Retd.), Independent Directors of the Company, have been inducted as member of the Committee w.e.f. 01.10.2016.

#### iv. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a duly constituted Corporate Social Responsibility ("CSR") Committee as per the requirement of Section 135 of the Companies Act 2013.

The brief terms of reference of the Committee are as follows:

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

The CSR Committee of your Company consists of 3 (Three) Directors namely Mr. S.S. Sandhu, Chairman, Mr. N.S. Ghumman, Managing Director and Lt. Gen. Pradeep Khanna (Retd.), Non-Executive & Independent Director. Mr. S.S. Sandhu, Chairman, is the Chairman of the CSR Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

Initially the Composition of the NRC constituted with 3 (Three) Members viz., Mr. S.S. Sandhu, Mr. N.S. Ghumman, and Mrs. Harpreet Kaur.

During the period under review, there is a change in category of Mrs. Harpreet Kaur from Non- Executive & Independent Director to Non- Executive & Non-Independent Director.

In lieu of the above, Lt. Gen. Pradeep Khanna (Retd.), Independent Directors of the Company, inducted as member of the Committee w.e.f. 01st October, 2016.

During the FY 2016-17, 2 (Two) CSR Committee Meeting was held on 27th May, 2016 and 31st March, 2017.

Attendance at CSR Committee Meeting

Name of the Member	No. of Meetings Held	No. of Meetings Attended
Mr. S.S. Sandhu	2	2
Mr. N.S. Ghumman	2	2
Mrs. Harpreet Kaur*	2	1
Lt. Gen. Pradeep Khanna (Retd.)**	2	1

\* Mrs. Harpreet Kaur ceased as member of the CSR Committee w.e.f 01.10.2016.

\*\* Lt. Gen. Pradeep Khanna (Retd.), Independent Directors of the Company, have been inducted as member of the Committee w.e.f. 01.10.2016.

#### 4. Remuneration of Directors

Your Company has 2 (Two) Executive Directors. The Board of Directors decides the remuneration of the Managing Director and Chairman, Whole Time Director.





The Company has a system where all the Directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made by the Non-Executive Directors with the Company during the year.

The Independent Non-Executive Directors are paid sitting fee of INR 2000/- per Board meeting for attending the Board, if any.

Executive Director is paid remuneration within the limits envisaged under Schedule V of the Companies Act, 2013. The said remuneration is approved by the Board within the limits set by the Shareholders of the Company.

The details of Remuneration, fees paid etc. to Directors for the year ended 31st March, 2017

#### a) Non- Executive Directors

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

\*Mr. Nirmaljeet Singh Gill and Mr. Gurmeet Singh Gill are related to each other (Brothers). Except the above mentioned no one is related to each other.

#### b) Paid to Executive Directors:

S.No.	Name of the Director	Salaries & Allowances	Contribution to PF	Other Benefits	Total
1	Mr. S.S. Sandhu	10,410,000	8,32,800	1,05,432	11,348,232
2	Mr. N.S. Ghumman	10,410,000	8,32,800	93,879	11,336,679

All Directors have disclosed their shareholding in the Company. Details of Shareholding of Directors as on 31st March, 2017 are as follows:

S.No.	Name of the Director	No. of shares holds	% of shareholding
1	Mr. S.S. Sandhu	288000	1.500
2	Mr. N.S. Ghumman	1465000	7.630

Details of Equity shares of the Company held by the Independent Directors as on 31st March, 2017 are given below:

None of the Independent Directors held any Shares in Shivalik Bimetal Controls Limited as on 31st March, 2017.

## 5. DISCLOSURES

- a) All transactions entered into with the Related Parties as defined under the Companies Act, 2013, Rules issued thereunder & Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year, 2016-17, were made in the ordinary course of business and on arm's length basis

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

#### b) Non-Compliances/Strictures/penalties Imposed

The Company has complied with the various requirements of the Stock Exchange, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by Stock Exchange, SEBI and Statutory Authority relating to the above.



**c) Disclosure of Accounting Treatment**

The financial statements have been prepared in accordance with the applicable Accounting Standards and relevant provisions of the Companies Act, 2013 and related rules, as amended from time to time.

**d) “Material” subsidiary**

The Company does not have any material listed / unlisted subsidiary companies as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**e) Risk Management**

The Company has in place a mechanism to inform the Board members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.

**f) Management Discussion and Analysis**

The Management Discussion and Analysis forms the part of the Annual Report and is given separately.

**g) Disclosure of commodity price risks and commodity hedging activities**

None

**h) Inter-se relationship between Directors of the Company.**

None

**i) Compliances**

All Returns/Reports were generally filed within the stipulated time with the Stock Exchanges/ other authorities.

This Corporate Governance Report of the Company for the year ended 31st March, 2017, are in compliance with the requirements Part C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The status of Adoption of the non-mandatory requirements as specified in Sub- Regulation 1 of Regulation 27 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as follows:-

- i. The Board: the Chairman of the Company is Executive Chairman;
- ii. Position of the Chairman and Managing Director are held by separate individuals.
- iii. Shareholder Rights: Half yearly and other quarterly financial statements are published in Newspapers, uploaded on the Company’s Website [www.shivalikbimetals.com](http://www.shivalikbimetals.com).
- iv. Modified opinion(s) in audit report: The Audit Report does not contain any qualifications.
- v. Reporting of Internal Auditor: The Internal Auditors of the Company reports to the Audit Committee.

**6. GENERAL MEETINGS**

**A) Annual General Meetings (AGM)**

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

Year	2013-14	2014-15	2015-16
Date	25th September, 2014	23rd September, 2015	20th September, 2016
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.)

<b>Special Resolutions</b>	<ol style="list-style-type: none"> <li>1. To review &amp; approve the remuneration of Mr. Satinderjeet Singh Sandhu (DIN: 00002312), Chairman &amp; Whole Time Director of the company for a period of three years w.e.f. 01.04.2014 to 31.03.2017</li> <li>2. To review &amp; approve the remuneration of Mr. Narinder Singh Ghumman (DIN: 00002052), Managing Director of the company for a period of three years w.e.f. 01.04.2014 to 31.03.2017</li> <li>3. To review &amp; approve the remuneration of Mr. Devinder Jeet Singh Sandhu (DIN: 00002039), Deputy Managing Director of the company for a period of three years w.e.f. 01.04.2014 to 31.03.2017.</li> </ol>	NIL	<ol style="list-style-type: none"> <li>1. To consider adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.</li> <li>2. Re-appointment &amp; revision in remuneration of Mr. N.S. Ghumman, as Managing Director of the Company &amp; fixation of remuneration.</li> <li>3. Revision in Managerial remuneration of Mr. S.S. Sandhu, as Whole Time Director of the Company.</li> </ol>
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## B) Extra-Ordinary General Meeting (EGM)

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

## 7. MEANS OF COMMUNICATION

The Company provides un-audited as well as audited financial results to the stock exchanges immediately after being approved by the Board. The quarterly, half yearly and annual results of the Company are published in one English daily newspaper (The Financial Express) and one Hindi newspaper (Jan Satta).

The Company's shareholding pattern, financial results, Code of Conduct, AGM Notice, Annual Reports, details of unclaimed dividends under the head - Investor Education Protection Fund ("IEPF"), Corporate Governance Reports, Corporate Social Responsibility Policy, Details of familiarization programmes for Independent Directors, Vigil Mechanism (including Whistle Blower Mechanism / Policy), Terms and Conditions for appointment of an Independent Director, Policy on Dealing with Related Party Transactions, Investor Contact details etc. and other information as required under applicable provisions of the Companies Act, 2013 read with rules made thereunder and LODR Regulations 2015 including Regulation 46(2)(n) are being displayed at Company's website [www.shivalikbimetals.com](http://www.shivalikbimetals.com). (in investor relations section). The Company also have exclusive e-mail ID i.e. [investor@shivalikbimetals.com](mailto:investor@shivalikbimetals.com) for investor's to contact the Company in case of any information and grievances.

No presentations were made by the Company to the analysts or to the institutional investors.

## 8. MD/CFO Certification

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

## 9. GENERAL SHAREHOLDERS INFORMATION

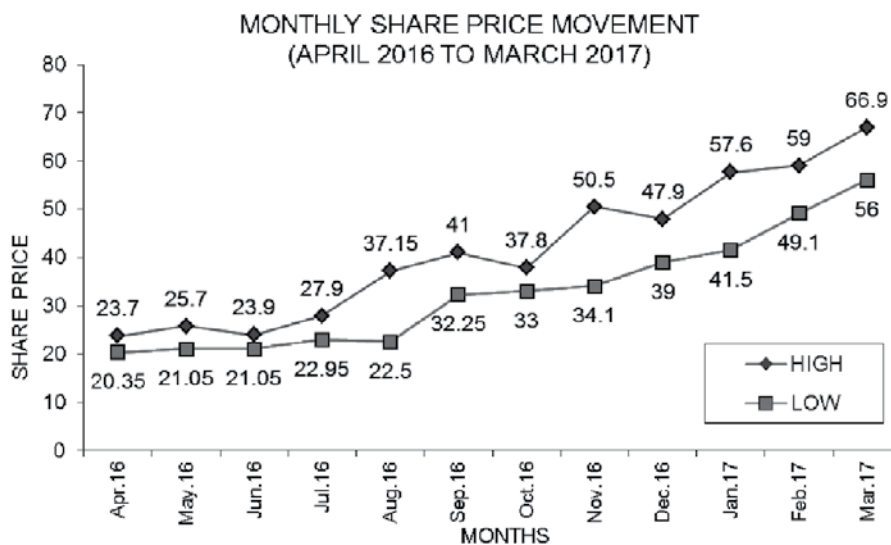
a)

1.	Annual General Meeting Day, Date, Time and Venue	Wednesday, 27th Day of September, 2017 at 10.00 AM at Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts) Solan (H.P.)-173212
2.	Financial Year	April 01 to March 31
3.	Dates of Book Closure	21.09.2017 to 27.09.2017
4.	Dividend	Interim Dividend - (12.5%) ₹ 0.25 paisa every one equity shares of ₹ 2/- each. Final Dividend - (12.5%) ₹ 0.25 paisa every one equity shares of ₹ 2/- each.
5.	Dividend Payment date	Interim: 06th March, 2017. Final Dividend - On or after 27th September, 2017 but within the statutory time limit of 30 days, subject to shareholders' approval.
6.	Financial Calendar	<b>Financial reporting for the quarter ending</b> Jun 30, 2017 - Within 45 days from the end of quarter Sep 30, 2017 Within 45 days from the end of quarter Dec 31, 2017 Within 45 days from the end of quarter Mar 31, 2018 Within 60 days from the end of the year
7.	Listing on Stock Exchanges	BSE Limited. The Listing fees for the Financial Year 2016-17 has been paid to the Exchange.
8.	Corporate Identification Number (CIN) of the Company	L27101HP1984PLC005862
9.	Stock Code	BSE Limited – 513097 ISIN of the Company - INE 386D01027

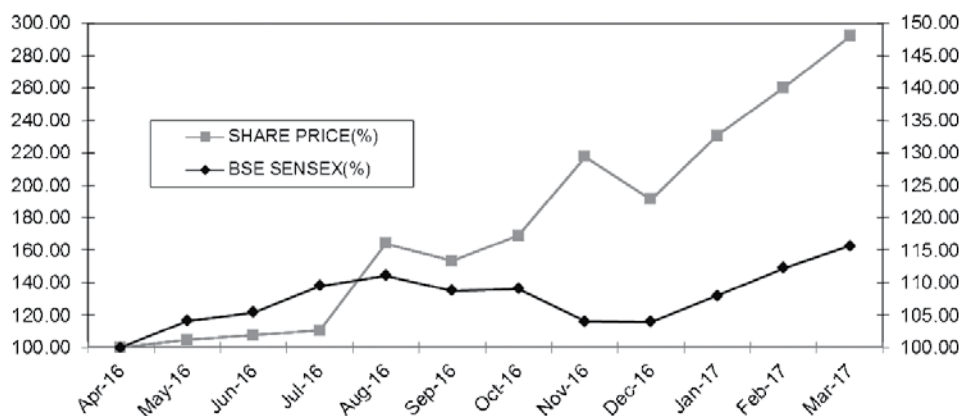
b) **Market Price Data: High, Low on BSE during each month in the last Financial Year 2016-17**

	Price per equity share of the face value of Rs. 2/- each			Price per equity share of the face value of Rs. 2/- each	
Month	High	Low	Month	High	Low
April, 2016	23.70	20.35	Oct., 2016	37.80	33.00
May, 2016	25.70	21.05	Nov., 2016	50.50	34.10
June, 2016	23.90	21.05	Dec., 2016	47.90	39.00
July, 2016	27.90	22.95	Jan., 2017	57.60	41.50
Aug., 2016	37.15	22.50	Feb., 2017	59.00	49.10
Sep., 2016	41.00	32.25	Mar., 2017	66.90	56.00

**c) Performance of Shivalik Bimetal Controls Ltd. Share price (Monthly High & Low)**



**d) Performance of Shivalik Bimetal Controls Ltd. ("Shivalik") share prices in comparison to BSE sensx (Monthly Closing)**



**e) Registrar & Share Transfer Agent:**

M/s MAS Services Limited,  
T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020  
Tel No.: (91) (11) 26387281, 266387282  
Fax: (91) (11) 26387384  
Email: info@masserv.com

**f) Share Transfer System**

MAS Services Limited, Registrar & Share Transfer Agent ("RTA") of the Company looks after share transfer, transmission, transposition, dematerialization and re-materialization of shares, issue of duplicate share certificates, split and consolidation of shares etc. on regular basis in compliance of various provisions of the laws, as applicable.

**g) Distribution of Shareholding as on 31st March, 2017:**

Shareholding of Nominal value of	Shareholders		No. of shares	Share Capital (Amount)	
	No.	% to total		In Rs.	% to total
<b>upto 1 - 5000</b>	4367	90.527	2619237	5238474	13.641
<b>5001 - 10000</b>	261	5.410	975422	1950844	5.080
<b>10001 - 20000</b>	95	1.969	680268	1360536	3.543
<b>20001- 30000</b>	29	0.601	367193	734386	1.912
<b>30001- 40000</b>	19	0.394	340433	680866	1.773
<b>400001-50000</b>	8	0.166	185149	370298	0.964
<b>50001-100000</b>	15	0.311	511459	1022918	2.664
<b>100001 and above</b>	30	0.622	13522239	27044478	70.423
<b>Total</b>	<b>4824</b>	<b>100.00</b>	<b>19201400</b>	<b>38402800</b>	<b>100.00</b>

**h) Shareholding Pattern as on 31st March, 2017**

Category	No. of Shares held	% of total Shareholding
Promoters	11876134	61.850
Mutual Funds/Banks	1000	0.005
Indian Bodies Corporate	277051	1.442
FII's/FVCP/NRI/Foreign Bodies	-	-
Indian Public	6870416	35.780
Others – (Clearing members, trust etc)	126818	0.670
Non-Resident Indians	49981	0.260
<b>Total</b>	<b>19201400</b>	<b>100.000</b>

**i) Dematerialization of shares and liquidity**

As on 31st March, 2017, total 19201400 equity shares of face value of ₹ 2/- each are listed at BSE. As on 31st March, 2017, 96.11% of the Company's total Share Capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

**j) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs/ADRs / Warrants or any convertible instruments.

**k) Commodity price risk or foreign exchange risk and hedging activities**

None

**l) Major Plants / Units Location(s)**

**Plants 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





#### m) Address for Correspondence

- a) For any complaints relating to non-receipt of shares after transfer, transmission, change of address, mandate etc., dematerialization of shares or any other query relating to shares shall be forwarded to the Share Transfer Agents directly at the address given hereunder. Members are requested to provide complete details regarding their queries quoting folio number/DP ID no./Client ID No., number of shares held etc.

M/s MAS Services Limited,  
T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020  
Tel No.: (91) (11) 26387281, 266387282  
Fax: (91) (11) 26387384  
Email: [info@masserv.com](mailto:info@masserv.com)

- b) For any query on any point in Annual Report, non-receipt of Annual Report, non-receipt of dividend etc., the complaint should be forwarded to the kind attention of Mrs. Aarti Jassal, Company Secretary & Compliance Officer of the Company at the following address:

Shivalik Bimetal Controls Limited,  
H-2, 2nd Floor, Alaknanda Commercial Complex, New Delhi-110019  
Tel.: 011- 26027174 Fax No.: 011-- 26026776

Members can also register their complaints at [investor@shivalikbimetal.com](mailto:investor@shivalikbimetal.com), an exclusive email ID, designated by the Company for the purpose of registering complaints by investors, in compliance of Regulation 6(2)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### n) Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practicing Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the share capital held with Depositories (i.e. NSDL & CDSL) in dematerialised form and share capital held in physical form with the total issued and listed share capital of the Company.

#### o) Investor Education Protection Fund ("IEPF")

In compliance with the Ministry of Corporate Affairs ("MCA") notification dated 10th May, 2012 related to IEPF where MCA had notified rules for the uploading of information regarding unpaid and unclaimed amounts lying with the companies the Company had furnished the information to MCA and uploaded the information on Company's website ([www.shivalikbimetal.com](http://www.shivalikbimetal.com)) as well as on the IEPF website ([www.iepf.gov.in](http://www.iepf.gov.in)).

Pursuant to the applicable provisions of the Companies Act, the dividends which remains unpaid and unclaimed for a period of seven years from the date of transfer to the Unpaid & Unclaimed Dividend Account is required to be transferred to the IEPF established by the Central Government. Attention is drawn that the unclaimed dividend for the financial year 2009-10 (Interim) and 2009-10 (Final) will be due for transfer to IEPF later this year.

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*
2009-10 (Interim)	05th May, 2010	10th June, 2017*
2009-10 (Final)	24th September, 2010	30th October, 2017
2010-11(Ist Interim)	31st January, 2011	07th March, 2018
2010-11(IInd Interim)	12th May, 2011	17th June, 2018
2010-11 (Final)	28th September, 2011	03rd November, 2018

\*For the financial year 2009-10 (Interim) have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.



Accordingly, Members who have not encashed their dividend warrants are requested in their own interest to write to the Company / Register & Share Transfer Agent claiming the dividend declared by the Company pertaining to the Financial years 2010 (Final dividend) and 2011. Kindly note that the once the amount is transferred to the IEPF, no claims shall lie against the Company.

#### **Reminder to Investors:**

The Ministry of Corporate Affairs has recently notified the “Investor Education and Protection Fund Authority (Accounting, Audit and Refund) Rules, 2016” which have come into force from Sept 07, 2016. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, to the Investor Education and Protection Fund (IEPF) Suspense Account.

Individual reminders have been sent to concerned Shareholders advising them to encash their dividend and the complete List of such Shareholders whose Shares are due for transfer to the IEPF is also placed in the Unclaimed Dividend section of the Investor Section on the website of the Company at <http://www.shivalikbimetals.com/about-us.php?pageId=34>

#### **p) Shivalik Bimetal Controls Ltd. - Unclaimed Suspense Account (“Unclaimed Suspense Account”)**

In terms of Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has sent three reminders to the concerned shareholder through its RTA Mas Services Ltd. and after that Company has transferred the shares into Unclaimed Suspense Account on 27th March, 2017.

The details of equity shares (“shares”) held in an Unclaimed Suspense Account are as follows:

S No.	Particulars	Details
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year 2016-17	-
2	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the Financial Year 2016-17	-
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the Financial Year 2016-17	-
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the Financial Year 2016-17	<ul style="list-style-type: none"> <li>• Aggregate number of shareholders - 192</li> <li>• Number of outstanding shares 121000 shares</li> </ul>

Note: Voting rights on the above mentioned equity shares would remain frozen till the owner of such equity shares claims the shares.

#### **10. Certificate from Statutory Auditor regarding compliance of conditions of corporate governance**

A certificate from the Statutory Auditor certifying the compliance of corporate governance requirements by the Company is annexed to the Corporate Governance Report and forms part of the Annual Report.



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## **Annexure to Report on Corporate Governance for the financial year ended 31st March, 2017**

### **Declaration of Compliance with the Code of Conduct**

In accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, I hereby confirm and declare that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended 31st March 2017.

**For Shivalik Bimetal Controls Limited**

**Sd/-**

**S. S. Sandhu**

**Chairman**

DIN: 00002312

Place : New Delhi  
Date : 23rd August, 2017

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



## 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 31.03.2017 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/-  
(Rajeev Ranjan)  
Chief Financial Officer

**Place : New Delhi**  
**Date : 25th May, 2017**



**MALIK S & CO.**  
**CHARTERED ACCOUNTANTS**

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

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Shareholders of**  
**SHIVALIK BIMETAL CONTROLS LTD.**

1. We have examined the compliance of the conditions of Corporate Governance by Shivalik Bimetal Controls Ltd. ('the Company') for the Financial Year ended on 31st of March, 2017, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Malik S & Co.**  
**Chartered Accountants**  
Firm Registration No:- 000383N

**Sd/-**

**Suresh Malik**  
**Proprietor**  
M.No. 080493

Place : New Delhi  
Dated : 23rd August, 2017



## ANNEXURE “E”

### MANAGEMENT DISCUSSION AND ANALYSIS

#### ECONOMIC REVIEW

##### Global Review

As per the World Economic Outlook report by International Monetary Fund (IMF), the global economy grew by 3.1% in the year 2016. The global economic growth was muted in 2016, where both Advanced Economies (AEs) and the Emerging Markets & Developing Economies (EMDEs) experienced a slowdown. The global growth can find its momentum with a more than expected policy stimulus in the United States or China. Protectionist policies and practices in some economies can risk global financial conditions. In 2016, the U.S. registered 1.6% GDP growth. IMF forecasts the EMDEs growth rate of 4.5% in 2017, whereas AEs growth is pegged at 2.0%. It foresees the global economic growth improving at 3.5%.

##### Indian Economy

While the world economy remains in a low growth difficult times, India continues to post a strong growth. Consumption was supported by lower energy costs, public sector salary increases, and favourable monsoon rains, which boosted urban and rural incomes. While the unexpected ‘demonetisation’ weighed on growth in the second half of FY 2016-2017.

One of the major tax reforms, The Goods and Services Tax (GST Law) stands implemented w.e.f. 01st July, 2017 and aims at streamlining the country’s complex tax system, reduce fragmentation in markets, lower business costs, and widen the tax base. Robust implementation of these legislative changes will be key to boost prospects of the organized market.

#### INDUSTRY OVERVIEW

**SHIVALIK** is India’s leading integrated manufacturer & seller of Thermostatic Bimetal/Trimetal strips, component, EB welded products, cold Bonded Bimetal Strips and parts etc. with an export presence in over 40 countries across the globe. In particular, the Company achieved its targets in the FY 2016-17. SHIVALIK is catered to broad spectrum of applications which includes Switchgears, Energy Meters, Industrial, Electrical applications, Automotive & Electronic Devices. Our growth is directly connected with the other Electrical and Electronics device’s industries.

Indian electrical and industrial electronics industry posted 4.25 per cent growth in 2016-17. The industry exported Rs 38,580 crore (\$6 billion) worth of electrical equipment in 2015-16 (Rs 35, 276 crore (\$5.25 billion) from April to February in 2016-17), according to Indian Electrical and Electronics Manufacturers’ Association (IEEMA), the apex Indian industry association of manufacturers of electrical, industrial electronics and allied equipment.

The major growth drivers are low voltage switchgear which has registered a healthy growth of 22% under which MCBs have grown at 9.4% due to revival in growth of realty, infrastructure and other manufacturing industries. Distribution transformer (especially up to 25 KVA – REC range) and energy meters demand has declined by 12% and 10% respectively due to poor off-take from utilities owing to delay in finalization of orders under government schemes such as DDUGVYJ and IPDS.

The primary factors that affect SHIVALIK BIMETALS operations comprise: a) sales volume and prices, and b) production costs. The Company derives its revenue primarily from the manufacturing & sale of Thermostatic Bimetal/Trimetal strips, component & shunt resistors. Our Bimetal industry is substantially driven by changes in supply and demand nationally and internationally. As per your company financial data for the FY 2016-17, sales volume consist 52% domestic sales and 48% export sales. The Company’s revenue also depends upon the price of copper & Nickel Alloys in the international markets (especially at LMEs). All Alloys are imported since there are no local suppliers available. The prices of these Alloys are linked to the commodity prices and the prices at the LMEs and they are also impacted by various social, political factors, currency fluctuation, government regulations & policies.

Despite lack of momentum in the global economy, uninspiring demand growth in India and liquidity crunch following the Government’s demonetisation initiative, SHIVALIK reported a Strong performance. This is the outcome of its global and domestic strategies that validate the Company’s Will to Win.



## FUTURE OUTLOOK

In this business environment, SHIVALIK adopted a two-pronged strategic approach. On the one hand, it looked inwards to create a more competitive and resilient enterprise with clear focus on developing processes, people and a strong performance driven organization culture. On the other, it leveraged the best mix of revised policy and regulatory measures to streamline cash flows and create a suitable platform for continuing business operations efficiently and servicing market opportunities.

On enhancing internal efficiencies, SHIVALIK has adopted a management ethos that focuses on achieving a clear set of objectives. The goals include:

- Further enhancing efficiencies in operations across all lines of business segments.
- Addressing the cash flow situation by adding new applications in the business, Bimetal and EB Welding, as also charting a clear strategic and financial blueprint for key investments in the new projects.
- Translating strategic intent to on-ground commitment of delivering high quality products for all customers.
- Growing the order book with a well distributed portfolio across various segments of the Bimetal Industry.
- Continuous efforts for cost reductions and optimal utilization of available resources of the company;
- Effective management of foreign exchange policy;
- Focus on new technologies/applications i.e Solar, HYBRID.
- In-house R & D facility for the purpose of product improvement & Development, product diversification, to explore new avenues for its product applications and new product development using same technology;
- To become a leader in global bimetal market.

Your Company's product fall in varied applications such as Industrial, domestic appliances, Automotive and Defence. The future outlook of your Company remains positive as your Company is actively working on both the strategic front and the operations front to take advantage of the turning trends which includes Research and Development, improving operational performances, focus on quality, broaden the customer base etc.

## Opportunities & Threats

The Indian economy has showed clear signs of recovery in FY 2016-17. The Govt of India has centralized focus on ease of doing business. In this endeavor it has done away with various complicacies in business and taking various reforms like the biggest historical tax reform in Indirect Taxation. The GST is stated to be a game changer and promises a lot to the Indian economy. It is expected to boost Indian GDP growth by 1.5 – 2%.

The long-term opportunities remain positive in the global bimetal market in the coming decade, the main focus would be on enhancing efficiency and productivity, enhancing market share and on innovation, driven by changing customer demands. Price sensitivity of the Indian consumer, cost optimization needs of manufacturers and increasing focus on environmental concerns will drive critical changes in the market.

With the increase in demand for the Generation of Electricity & due to the day to day enhancement in the power distribution projects, we cannot negate the fact that the long-term potential of the Indian Bimetal industry remains bright. The opportunities for the industry have been identified and efforts are being taken by both public and private entities to achieve sustainable growth.

Threats: Your Company may face the following threats for doing future planning: our growth is based on several parameters such as overall GDP growth of India, currency movement, inflation, existing trade agreements, consumer sentiments, potential government consumption, existing government policies, investments, manufacturing entities, and type of value addition in India.

## Risks & Concerns

Risk Management Policy has been adopted by the Board to review and mitigate risks relevant to environmental, operational and business risks to safeguard its interest. It ensures sustainable growth by implementing a proactive approach in





reporting, evaluating and controlling / resolving risks associated with the business of the company. In order to achieve this, the Policy establishes a structured and disciplined approach to Risk Management, including the development of the risk areas, so as to guide decisions on risk related issues.

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

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

## Financial Performance

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

**Equity Share Capital:** The Equity Share Capital of the Company as on 31st March, 2017 stood at ₹ 384.03 Lacs. There was no fresh issue of capital during the year.

**Finance Cost:** Finance Cost for the financial year 2016-17 is ₹ 247.65 Lacs as compared to ₹ 389.90 Lacs in the previous year, as such there is decrease by 36.48 % in the current financial year.

**Turnover:** The Company's sales and other income has increased from ₹ 10,654.91 Lacs to ₹ 12,763.53 Lacs, an increase of 19.79% over the previous year.

**Net Profit:** Net profit available for appropriation for the year 2016-17 stood at ₹ 911.00 Lacs as compared to ₹ 411.44 Lacs in the previous year.

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

**Equity Share Capital:** The Equity Share Capital of the Company as on 31st March, 2017 stood at ₹ 384.03 Lacs. There was no fresh issue of capital during the year.

**Finance Cost:** Finance Cost for the financial year 2016-17 is ₹ 304.75 Lacs.

**Turnover:** The Company's sales and other income during the year is ₹ 13,962.40 Lacs.

**Net Profit:** Net profit available for appropriation for the year 2016-17 stood at ₹ 878.96 Lacs.

**Earnings Per Share (EPS):** The Company's Earnings Per Share (EPS) during the current year is 4.58.

## Internal Control System and their Adequacy

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

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

## Occupational Health & Safety

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



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

### **Human Resource and Industrial Relations**

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

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

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

### **Cautionary Statement**

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



## ANNEXURE “F”

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

SHIVALIK will focus on CSR initiatives that promote the areas identified in this policy. SHIVALIK implements the chosen programs via two channels:

- Directly by SHIVALIK;
- Through registered trust or registered society and other permissible entities.

CSR primarily focuses on programs that:

- Promote education;
- Create sustainable livelihood opportunities
- infrastructure development
- women empowerment

The CSR policy of the Company is stated in <http://www.shivalikbimetals.com/images/pdf/sbcl-csr-policy.pdf>.

#### Composition of the CSR Committee:-

The CSR Committee comprises of the following Directors:-

- Mr. S. S. Sandhu, Chairman;
- Mr. N.S. Ghumman, Member and
- Lt. Gen. Pradeep Khanna (Retd.), Member

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

₹ 7, 06,96,850 Crores

#### 3. Prescribed CSR Expenditure:-

The Company was required to spend ₹ 14,13,937/- lacs towards CSR.

#### 4. Details of amount spent on CSR activities during the financial year:-

- Total amount to be spent for the Financial Year: ₹ 14,13,937/-
- Total amount spent for the Financial Year: ₹ 14,59,540/-

c) Amount unspent if any: None

d) Manner in which the amount spent during the Financial Year is detailed below:

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent : Direct or through implementing agency*
1	Rendering much needed financial support to underprivileged children by distribution of school attire, bags and other related articles	Schedule 7(ii), Promoting education	All across India	165285	165285	165285	Direct
2	Requisite financial support was provided to financially troubled child, abating him from leaving studies and endearing towards child labor; contributing in the national agenda of increasing literacy.	Schedule 7(ii), Promoting education	Himachal Pradesh & Haryana	351500	351500	351500	Direct
3	Infrastructure development : Refurbishment of the school premises to ensure continued educational support for Government	Schedule 7(ii), Promoting education	Himachal Pradesh & Haryana	277841	277841	277841	Direct
4	Adoption of Biwan Village for Digitization	Schedule 7(xi), Rural development projects;	Biwan Village, Haryana	265000	265000	265000	Direct
5	Independent project run by the Company for the Construction of LPG/CNG Gassifier Crematorium in the solan, Himachal Pradesh.	Schedule 7(xi), Rural development projects;	Solan, Himachal Pradesh	399914	399914	399914	Direct
	TOTAL			1459540	1459540	1459540	

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

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

**Sd/-**  
**N. S. Ghumman**  
**Managing Director**  
DIN : 00002052

**Sd/-**  
**S. S. Sandhu**  
**Chairman of CSR Committee**  
DIN : 00002312



## INDEPENDENT AUDITORS' REPORT



To

The Members of Shivalik Bimetal Controls Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Shivalik Bimetal Controls Ltd.** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its profit and its cash flows for the year ended on that date.



## INDEPENDENT AUDITORS' REPORT



### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014;
  - e. on the basis of written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements-Refer Note 33 to the financial statements;
    - ii. the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. the Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with books of accounts maintained by the Company-Refer Note 40 to the standalone financial statements.

**For MALIK S & CO.**

**Chartered Accountants**

Firm Registration No:- 000383N

**Sd/-**

**Suresh Malik**

**Proprietor**

M.No. 080493

Place : New Delhi

Date : 25th May, 2017



## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



### Annexure- A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors Report to the members of the Company on the standalone financial statements for the year ended 31st March 2017, we report that:

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





## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



- (xi) The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For MALIK S & CO.**

**Chartered Accountants**

Firm Registration No:- 000383N

**Sd/-**

**Suresh Malik**

**Proprietor**

M.No. 080493

Place : New Delhi

Date : 25th May, 2017



## ANNEXURE - B TO THE AUDITORS' REPORT



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

We have audited the internal financial controls over financial reporting of Shivalik Bimetal Controls Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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



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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : New Delhi  
Date : 25th May, 2017

**For MALIK S & CO.**  
**Chartered Accountants**  
Firm Registration No:- 000383N

**Sd/-**  
**Suresh Malik**  
**Proprietor**  
M.No. 080493



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## BALANCE SHEET as at 31st March, 2017



(₹ in lacs)

	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	<b>384.03</b>	384.03
(b) Reserves and surplus	4	<b>6,964.79</b>	6,115.05
<b>Non-current liabilities</b>			
(a) Long-term borrowings	5	<b>491.93</b>	481.03
(b) Deferred tax liabilities (Net)	6	<b>226.09</b>	196.27
(c) Long-term provisions	7	<b>27.11</b>	23.37
<b>Current liabilities</b>			
(a) Short-term borrowings	8	<b>2,107.85</b>	3,248.67
(b) Trade payables	9	<b>816.76</b>	605.80
(c) Other current liabilities	10	<b>800.21</b>	977.77
(d) Short-term provisions	11	<b>975.13</b>	628.35
<b>TOTAL</b>		<b>12,793.90</b>	12,660.34
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	<b>3,191.91</b>	3,258.58
(ii) Intangible assets	12	<b>8.43</b>	11.87
(iii) Capital work-in-progress	12	<b>387.94</b>	381.12
(iv) Intangible Assets Under Development	12	<b>58.84</b>	42.83
(b) Non-current investments	13	<b>1,757.73</b>	1,757.73
(c) Long-term loans and advances	14	<b>55.22</b>	49.99
(d) Other non-current assets	15	<b>627.20</b>	734.29
<b>Current assets</b>			
(a) Current Investments	16	<b>30.57</b>	30.57
(b) Inventories	17	<b>2,588.91</b>	2,338.36
(c) Trade receivables	18	<b>2,657.14</b>	2,408.42
(d) Cash and cash equivalents	19	<b>24.45</b>	817.98
(e) Short-term loans and advances	20	<b>1,319.34</b>	745.26
(f) Other current assets	21	<b>86.22</b>	83.34
<b>TOTAL</b>		<b>12,793.90</b>	12,660.34
<b>III. The accompanying notes form an integral part of the standalone financial statements.</b>			
	1 to 40		

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

For and on Behalf of the Board

Sd/-  
**SURESH MALIK**  
Proprietor

Sd/-  
**RAJEEV RANJAN**  
Chief Financial Officer

Sd/-  
**AARTI JASSAL**  
Company Secretary

Sd/-  
**N.S. GHUMMAN**  
Managing Director  
DIN 00002052

Sd/-  
**S.S. SANDHU**  
Chairman  
DIN 00002312

Place : New Delhi  
Date : 25th May, 2017



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## STATEMENT OF PROFIT & LOSS ACCOUNT for the year ended 31st March, 2017



(₹ in lacs, except per share data)

	Note No.	Year Ended March 17	Year Ended March 16
<b>I. Revenue from operations</b>	22	<b>11,875.58</b>	9,884.98
<b>II. Other income</b>	23	<b>209.49</b>	76.96
<b>III. Total Revenue (I + II)</b>		<b>12,085.07</b>	9,961.94
<b>IV. Expenses</b>			
(a) Cost of materials consumed	24	<b>6,487.90</b>	5,608.44
(b) Decrease/(Increase) in Inventories of Finished Goods and Work In Progress	25	<b>(284.35)</b>	194.13
(c) Employee benefits expense	26	<b>1,252.41</b>	1,150.28
(d) Finance costs	27	<b>247.65</b>	389.90
(e) Manufacturing and other expense	28	<b>2,633.18</b>	1,580.28
(f) Depreciation expense	12	<b>359.61</b>	368.77
<b>Total expenses</b>		<b>10,696.40</b>	9,291.80
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>1,388.67</b>	670.14
<b>VI. Exceptional items (Income)/Expenses</b>	29	<b>3.24</b>	20.19
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>1,385.43</b>	649.95
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before tax (VII - VIII)</b>		<b>1,385.43</b>	649.95
<b>X. Tax expense</b>			
(a) Current tax		<b>440.00</b>	212.00
(b) Current tax related to previous years		<b>2.76</b>	9.40
(c) Deferred tax		<b>31.67</b>	17.11
		<b>474.43</b>	238.51
<b>XI. Profit (Loss) for the year (IX-X)</b>		<b>911.00</b>	411.44
<b>XII. Earnings per equity share</b>			
(a) Basic	30	<b>4.74</b>	2.14
(b) Diluted	30	<b>4.74</b>	2.14
<b>XIII. The accompanying notes form an integral part of the standalone financial statements.</b>	1 to 40		

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

For and on Behalf of the Board

Sd/-  
**SURESH MALIK**  
Proprietor

Sd/-  
**RAJEEV RANJAN**  
Chief Financial Officer

Sd/-  
**AARTI JASSAL**  
Company Secretary

Sd/-  
**N.S. GHUMMAN**  
Managing Director  
DIN 00002052

Sd/-  
**S.S. SANDHU**  
Chairman  
DIN 00002312

Place : New Delhi  
Date : 25th May, 2017



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## CASH FLOW STATEMENT

for the year ended on 31st March, 2017



	Year ended March 2017	Year ended March 2016
( ₹ in lacs)		
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	1,385.43	649.95
Adjustments for:		
Depreciation	359.61	368.77
Interest Paid	247.65	389.90
Interest Received	(5.75)	(5.61)
Amount Written Back	(3.95)	(8.85)
Debtors/ Unrecoverable Amount Written Off	102.21	0.43
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss/ (gain)	0.59	(0.01)
(Profit)/Loss on sale of Fixed Asset	7.19	29.04
<b>Operating Profit before Working Capital changes</b>	<b>2,092.98</b>	<b>1,423.62</b>
Adjustment for :		
Trade and other receivables	(249.02)	(3.50)
Inventories	(245.37)	554.23
Trade Payables	216.25	(480.54)
Loans and Advances	(195.33)	211.01
<b>Cash generated from operations</b>	<b>1,619.51</b>	<b>1,704.82</b>
Direct taxes paid	(468.73)	(157.23)
Cash flow from Ordinary items	1,150.78	1,547.59
<b>Net Cash flow from operating Activities</b>	<b>1,150.78</b>	<b>1,547.59</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(316.06)	(246.21)
Sale of Fixed Assets	14.04	52.33
Capital Work In Progress	(22.83)	(26.74)
Capital Advance	(3.89)	11.28
Interest Received	6.01	11.60
Other Investment	-	(13.00)
Net cash (used in)/ from investing activities	(322.73)	(210.74)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Bank Borrowings	(1,140.82)	279.78
Vehicle Loan	(50.95)	(45.50)
Term Loan Paid	(168.21)	(285.96)
Unsecured Loan	45.64	(106.93)
Interest Paid	(249.01)	(394.00)
Dividend Including Dividend tax paid/Transferred to Investor Protection fund	(57.64)	(2.78)
<b>Net Cash (used in) from financing activities</b>	<b>(1,620.99)</b>	<b>(555.39)</b>
<b>NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS</b>	<b>(792.94)</b>	<b>781.46</b>
Cash and Cash equivalents as on 1st April, 2016 (Opening Balance)	817.98	36.51
Exchange Difference on translation of foreign currency cash & cash equivalent	(0.59)	0.01
Cash and Cash equivalents as on 31st March ,2017 (Closing Balance)	24.45	817.98
Cash and Cash equivalents as on 31st March ,2017 as per books	24.45	817.98

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/-  
**RAJEEV RANJAN**  
Chief Financial Officer

Sd/-  
**AARTI JASSAL**  
Company Secretary

Sd/-  
**N.S. GHUMMAN**  
Managing Director  
DIN 00002052

Sd/-  
**S.S. SANDHU**  
Chairman  
DIN 00002312

Place : New Delhi  
Date : 25th May, 2017



## SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2017)



### 1. COMPANY'S OVERVIEW

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

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisional of the Act (to the extent notified). The financial statements are presented in Indian Rupee rounded off to the nearest Rupees in lacs.

#### 2.2 Use of Estimates

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

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

#### 2.3 Inventories

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

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

#### 2.4 Cash and cash equivalents

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

#### 2.5 Cash Flow Statements

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





## SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2017)



### 2.6 Research & Development Expenditure

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

### 2.7 Revenue Recognition

- 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.

### 2.8 Export Benefits

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

### 2.9 Fixed Assets and Depreciation

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

In accordance with AS-10 referred to as "Property, Plant and Equipment", subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

- b. Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation or amortization and impairment, if any.
- c. Capital work-in-progress represents the cost of tangible assets that are not yet ready for their intended use at the reporting date.
- d. Cost of in-house assembled/fabricated fixed assets comprise those costs that relate directly to the specific assets and other costs that are attributable to the assembly/fabrication thereof.
- e. Depreciation on Fixed Assets is provided based on useful lives of assets as prescribed in Schedule-II to Companies Act 2013 except in respect of followings assets where estimated useful life is different than these mentioned in Schedule II are as follows:-

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

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



## SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2017)



### 2.10 Foreign Currency Transactions

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

### 2.11 Forward Contracts

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

### 2.12 Investments

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

### 2.13 Employees' Benefits

- a. Defined Contribution Plans:

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

- b. Defined Benefit Plans:

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

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

### 2.14 Borrowing Costs

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



## SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2017)



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

### 2.15 Inter unit Transactions

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

### 2.16 Earnings Per share

Basic Earnings per Share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.

### 2.17 Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits/ benefits computed in accordance with the provisions of the Income Tax Act 1961.

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

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

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

### 2.18 Impairment

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

### 2.19 Provision, Contingent Liabilities and Contingent Assets

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

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

Contingent liability is disclosed in case of

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

Contingent assets are neither recognized nor disclosed.

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



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



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

### 3. Share Capital

(₹ in lacs, except per share data)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Authorised</b>		
Equity Shares of ₹ 2/- each		
7,50,00,000 (Previous Year 7,50,00,000) equity shares	<b>1,500.00</b>	1,500.00
<b>Issued, Subscribed and Paid up</b>		
Equity Shares of ₹ 2/- each		
1,92,01,400 (Previous Year 1,92,01,400) equity shares	<b>384.03</b>	384.03
<b>Total</b>	<b>384.03</b>	384.03

#### 3.1 Reconciliation of Number of Shares

Particulars	Equity Shares (Numbers)	
	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Shares as at beginning of the year	<b>1,92,01,400</b>	1,92,01,400
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares as at end of the year	<b>1,92,01,400</b>	1,92,01,400

- 3.2** The Company has only one class of shares referred to as Equity shares having par value of ₹ 2/-. The holder of Equity Share is entitled to one vote per share.
- 3.3** In the event of liquidation of the Company, the residual interest in the company's assets shall be distributed to the shareholders in the proportion to the equity shares held.
- 3.4** During the year under review, the Company has declared and paid an interim dividend of ₹0.25 per share on 1,92,01,400 equity share which resulted in a cash outflow of ₹57.78 lacs inclusive of corporate dividend tax.

The Board of Directors, in its meeting held on 25th May, 2017, have proposed a final dividend of ₹0.25 per equity share for the financial year ended 31st March, 2017. The proposal is subject to approval of shareholders at the forthcoming Annual General Meeting and if approved would result in a cash outflow of approximately ₹57.78 lacs, including corporate dividend tax.

#### 3.5 Shareholders holding more than 5% shares

Name of Shareholders	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. N. S. Ghumman	<b>14,65,000</b>	<b>7.63</b>	14,65,000	7.63
O D Finance and Investment Pvt. Ltd.	<b>24,88,989</b>	<b>12.96</b>	15,36,989	8.00
Ultra Portfolio Management Pvt. Ltd.	<b>9,78,590</b>	<b>5.10</b>	9,78,590	5.10
TSL Holdings Limited	<b>27,90,200</b>	<b>14.53</b>	27,90,200	14.53
Angad Estates Pvt. Ltd.	<b>16,55,000</b>	<b>8.62</b>	16,55,000	8.62



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 4. Reserves and Surplus

	( ₹ in lacs)	
Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>(a) Capital Reserve</b>		
Opening Balance	0.57	0.57
	<b>0.57</b>	0.57
<b>(b) General Reserve</b>		
Opening Balance	2,437.07	2,337.07
Add: Transferred from Profit & Loss Account	200.00	100.00
Less: Adjustment for Depreciation on Fixed Assets (Refer note no.12.1)	3.48	-
	<b>2,633.59</b>	2,437.07
<b>(c) Profit &amp; Loss Account</b>		
Opening balance	3,677.41	3,365.97
Add: Profit for the year	911.00	411.44
Amount available for Appropriations	4,588.41	3,777.41
Less: Appropriations		
(i) Interim Dividend	57.78	-
(ii) General Reserve	200.00	100.00
	<b>4,330.63</b>	3,677.41
	<b>6,964.79</b>	6,115.05

### 5. Long Term Borrowings

	( ₹ in lacs)	
Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Secured</b>		
From Banks(*)		
Rupee Loan	153.50	117.88
Sub Total	153.50	117.88
Vehicle Loan	11.19	34.50
<b>Unsecured</b>		
From Others	327.24	328.65
Total <sup>(1)</sup>	<b>491.93</b>	481.03

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

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



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 6. Deferred Taxes

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Deferred Tax Liabilities</b>	<b>196.27</b>	179.16
Depreciation on Fixed Assets	<b>26.56</b>	20.07
	<b>222.83</b>	199.23
<b>Deferred Tax Assets</b>		
Employee Benefits	<b>(3.21)</b>	2.01
Others	<b>(0.05)</b>	0.95
	<b>(3.26)</b>	2.96
<b>Deferred Tax Liabilities (Net)*</b>	<b>226.09</b>	196.27

\* The increase in Deferred Tax liability by ₹29.82 lacs over the previous year, has resulted from netting off liability of ₹31.67 lacs and assets of ₹1.85 lacs.

### 7. Long Term Provisions

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>(a) Provision for employee benefits</b>		
– Unavailed Leave	<b>26.66</b>	22.90
<b>(b) Other Provisions</b>		
– Excise duty on Finished goods	<b>0.45</b>	0.47
	<b>27.11</b>	23.37

### 8. Short Term Borrowings

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Secured</b>		
<b>Working Capital Loans</b>		
<b>From Banks<sup>(1)</sup></b>		
Foreign Currency Loan	<b>1,611.72</b>	2,255.84
Rupee Loan	<b>496.13</b>	992.83
	<b>2,107.85</b>	3,248.67

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



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 9. Trade Payable

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Micro, Small and Medium Enterprises <sup>(#)</sup>	2.38	1.29
Others	814.38	604.51
	<b>816.76</b>	<b>605.80</b>

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

### 10. Other Current Liabilities

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Current maturities of long-term borrowings (refer note no.-5)	333.43	517.85
(b) Interest accrued but not due on borrowings	7.15	6.96
(c) Interest accrued and due on borrowings	2.70	4.25
(d) Unclaimed dividends	6.53	6.39
(e) Other Payables		
(i) Statutory Dues	70.55	58.65
(ii) Advance From Customers	45.06	127.52
(iii) Others	334.79	256.15
	<b>800.21</b>	<b>977.77</b>

### 11. Short Term provisions

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Provision for employee benefits		
i) Bonus	43.24	66.34
ii) Unavailed Leave	2.42	2.10
(b) Provision for Excise Duty on Finished Goods	26.19	13.88
(c) Taxation	903.28	546.03
	<b>975.13</b>	<b>628.35</b>





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 12. Fixed Assets

(₹ in lacs)

	Fixed Assets	Gross Block				Accumulated Depreciation						Net Block	
		As at 1st April 2016	Additions during the year	Disposals during the year	Effect of Foreign Currency Difference	As at 31st March 2017	As at 1st April 2016	Depreciation charged for the year	Adjustments to Retained Earnings due to change in Useful life	# Other Adjustments	On disposals	As at 31st March 2017	As at 31st March 2016
(a)	Tangible Assets												
	Leasehold Land	3.67				3.67	-	-	-	-	-	3.67	3.67
	Land & Site Development	195.86				195.86	-	-	-	-	-	195.86	195.86
	Buildings	380.62				380.62	190.13	23.59	-	-	213.72	166.90	190.49
	Plant and Equipment	4,208.04	258.02	9.04	(2.39)	4,454.63	1,735.74	227.64	5.33	6.88	1,961.83	2,492.80	2,472.30
	Furniture and Fixtures	189.97	2.46	0.06		192.37	134.67	16.08		0.06	150.69	41.68	55.30
	Vehicles	550.63	33.88	32.60		551.91	238.50	71.62		13.73	296.39	255.52	312.13
	Office Equipment	197.12	23.62	1.59		219.15	168.29	16.76		1.38	183.67	35.48	28.83
	Total (a)	5,725.91	317.98	43.29	(2.39)	5,998.21	2,467.33	355.69	-	5.33	2,806.30	3,191.91	3,258.58
(b)	Intangible Assets*												
	Computer software	36.96	0.48	-		37.44	25.09	3.92			29.01	8.43	11.87
	Total (b)	36.96	0.48	-	-	37.44	25.09	3.92	-	-	29.01	8.43	11.87
	Total (a+b)	5,762.87	318.46	43.29	(2.39)	6,035.65	2,492.42	359.61	-	5.33	2,835.31	3,200.34	3,270.45
	Previous year	5,691.39	232.58	174.73	13.63	5,762.87	2,217.01	368.77	-	-	2,492.42	3,270.45	3,474.38
(c)	Capital Work In Progress :												
	Plant & Machinery under Installation											387.94	381.12
	Total											387.94	381.12
(d)	Intangible Assets under Development*:												
	ERP Server Under Development											58.84	42.83
	Total											58.84	42.83

\* Other than internally generated

**12.1** #Pursuant to the notification no.G.S.R.364 issued by the Ministry of Company Affairs dated 30th March,2016,the spare parts, which hitherto were being treated as inventory under AS-2 have been capitalised in accordance with the requirements of AS-10 at their respective carrying amounts resulting into the adjustment of ₹3.48 lacs (Net of deferred Tax of ₹ 1.85 lacs) in the opening balance of retained earnings.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 12.2 Leasehold Land:

Leasehold Period: 95 years

Leasehold Installment: Nil

**12.3** In compliance with newly inserted para 46A of the Accounting Standard (AS)- 11 "The effect of changes in Foreign Exchange Rates", vide notification issued by the Ministry of Corporate Affairs, the company has adjusted ₹(2.39) lacs (Previous year ₹13.63 lacs) to the cost of relevant fixed assets during the period.

### 13. Non Current Investments

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Other Investments</b>		
Unquoted, fully paid up		
<b>(a) In Equity Shares of Associate Companies</b>		
222,750 shares in Shivalik Bimetal Engineers Pvt. Limited of ₹10/- each (Previous Year 222,750 shares of ₹10/- each)	22.28	22.28
<b>(b) In Equity Shares of Joint Venture</b>		
17,10,900 shares in Checon Shivalik Contact Solutions Pvt. Limited of ₹10/- each (Previous Year 17,10,900 shares of ₹10/- each)	221.45	221.45
15,120,000 shares in Innovative Clad Solutions Pvt. Limited of ₹ 10/- each (Previous Year 15,120,000 shares of ₹10/- each)	1,512.00	1,512.00
<b>(c) In Equity Shares of Other Company</b>		
20,000 shares in Shivalik Solid Waste Management Pvt. Limited of ₹ 10/- each (Previous Year 20,000 shares of ₹10/- each)	2.00	2.00
	<b>1,757.73</b>	1,757.73

### 14. Long term Loans and Advances

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>(a) Capital Advances</b>	19.49	15.60
	19.49	15.60
<b>(b) Security Deposits</b>		
Unsecured, considered good		
Balances with Government Authorities	14.95	14.04
Others	18.83	18.64
	33.78	32.68
<b>(c) Other loans and advances</b>		
Unsecured, Considered good		
Prepaid Expenses	1.95	1.71
	1.95	1.71
	<b>55.22</b>	49.99



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 15. Other Non Current Assets

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>(a) Long Term Trade Receivables</b>		
Unsecured		
Considered good	609.60	711.51
Considered doubtful	-	99.40
	<b>609.60</b>	810.91
Less: Provision for doubtful debts	-	99.40
	<b>609.60</b>	711.51
<b>(b) Others</b>		
Inventories	17.60	22.78
	<b>17.60</b>	22.78
	<b>627.20</b>	734.29

### 16. Current Investments

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Other Investments (valued at Cost)	30.57	30.57
	<b>30.57</b>	30.57

### 17. Inventories

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>(a) Raw Materials</b>		
(i) at Store	851.21	581.48
(ii) at Bonded Warehouse	473.14	714.94
(iii) in transit	146.42	202.38
	<b>1,470.77</b>	1,498.80
<b>(b) Work-in-Process</b>	<b>663.13</b>	562.26
	<b>663.13</b>	562.26
<b>(c) Finished goods</b>		
(i) at Store	318.03	143.23
(ii) in transit	7.23	0.91
	<b>325.26</b>	144.14
<b>(d) Stores, Spares and Packing Material</b>	<b>126.44</b>	132.26
	<b>126.44</b>	132.26
<b>(e) Scrap</b>	<b>3.31</b>	0.90
	<b>3.31</b>	0.90
	<b>2,588.91</b>	2,338.36



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 18. Trade Receivables

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Trade Receivables		
Unsecured, considered good		
(a) Over six months from the date they were due for payment	1.89	28.61
(b) Others	2,655.25	2,379.81
	2,657.14	2,408.42

### 19. Cash and Cash Equivalents

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Balances with banks in		
- Current Accounts	10.37	4.23
- Fixed Deposits	-	800.00
- Current Accounts in Foreign Currency	3.73	5.91
(b) Cash on hand	3.82	1.45
(c) Unpaid Dividend held in Bank Accounts	6.53	6.39
	24.45	817.98

### 20. Short Term Loans and Advances

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Unsecured, considered good</b>		
(a) Loans and advances to Employees	1.10	0.37
(b) Prepaid Expenses	45.89	23.38
(c) Balances with Revenue authorities	1,249.73	684.35
(d) Security Deposits	0.80	0.20
(e) Other loans and advances	21.82	36.96
	1,319.34	745.26

### 21. Other Current Assets

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
a) Interest accrued but not due on FDR	4.39	4.64
b) Margin Money Deposit against Bank Guarantee (s)	81.83	78.70
	86.22	83.34



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 22. Revenue from Operations

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
Sale of products	12,408.51	10,376.71
Less: Excise duty	678.46	692.97
	11,730.05	9,683.74
Other Operating Revenues	145.53	201.24
	11,875.58	9,884.98

### 23. Other Income

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Interest on deposits	5.75	5.61
(b) Rent Received	3.60	3.60
(c) Miscellaneous Income	1.50	2.20
(d) Export Incentives	2.95	1.15
(e) Foreign Exchange Fluctuation Gain/(Loss)	195.69	64.40
	209.49	76.96

### 24. Cost of Materials Consumed

Particulars	Year Ended March 17		Year Ended March 16	
	(₹ in lacs)	% of Consumption	(₹ in lacs)	% of Consumption
Imported	6,319.96	97%	5,399.12	96%
Indigenous	167.94	3%	209.32	4%
	6,487.90	100%	5,608.44	100%

### 25. Decrease/(Increase) in Inventories of Finished Goods and Work-in Progress

(₹ in lacs)

Particulars	Year Ended March 17		Year Ended March 16	
<b>Inventory (at Beginning)</b>				
-Finished Goods	144.92		213.85	
-Work-in-Progress	563.58		688.34	
-Scrap	0.90	709.40	1.34	903.53
<b>Inventory (at Close)</b>				
-Finished Goods	326.05		144.92	
-Work-in-Progress	664.39		563.58	
-Scrap	3.31	993.75	0.90	709.40
<b>(Increase)/Decrease</b>		(284.35)		194.13



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 26. Employee Benefit Expenses

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Salaries and Wages	1,038.12	964.25
(b) Contributions to -		
(i) Provident fund	59.99	53.10
(ii) ESI Contribution	11.46	8.57
(iii) Gratuity fund contributions	25.13	15.65
(c) Staff welfare expenses	117.71	108.71
	1,252.41	1,150.28

#### 26.1 Disclosure pursuant to Accounting Standard (AS) 15 (Revised) “Employee Benefits”:

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

##### (I) Defined Contribution Plan

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

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

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

(₹ in lacs)

Particulars	2016-17	2015-16
(a) Employer’s Contribution to Provident Fund	36.27	31.60
(b) Employer’s Contribution to Pension Scheme	23.71	21.50

##### (II) Defined Benefit Plan

- (a) Gratuity
- (b) Leave Encashment

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

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



Particulars	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	7.54%	7.54%	8.00%	8.00%
Rate of escalation in Salary (per annum)	6.00%	6.00%	6.00%	6.00%
Expected Rate of return on plan assets (per annum)	7.55%	-	9.00%	-
Expected Average remaining working lives of employees in no. of years	20.63	20.63	21.13	21.13
Mortality Table	IALM (2006-08)		IALM (2006-08)	

(₹ in lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
<b>(a) Changes in Present Value of Obligation</b>				
Opening balance of Present value of obligation	147.74	127.59	24.39	20.10
Interest Cost	11.82	10.21	1.95	1.61
Current Service Cost	13.60	12.00	4.43	3.94
Benefits Paid	(12.08)	(5.84)	(8.59)	(6.46)
Actuarial (Gain)/Loss on Obligation	11.38	3.78	6.33	5.20
Closing Balance of Present value of obligation	172.46	147.74	28.51	24.39
<b>(b) Changes in Fair Value of Plan Assets</b>				
Opening balance of Fair Value of Plan Assets	140.67	116.88	-	-
Expected Return on Plan Assets	12.66	10.52	-	-
Employer's Contribution	13.13	19.29	-	-
Benefits paid	(12.08)	(5.84)	-	-
Actuarial Gain/ (Loss) on Plan Assets	(0.99)	(0.18)	-	-
Closing balance of Fair value of Plan Assets	153.39	140.67	-	-
Actual return on Plan Assets	11.67	10.34	-	-
<b>(c) Percentage of each category of Plan Assets to total Fair value of Plan assets</b>				
Administered by Life Insurance Corporation of India	100%	100%	-	-
<b>(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets</b>				
Closing Balance of Present Value of Obligation	172.46	147.74	28.51	24.39
Closing Balance of Fair Value of Plan Assets	153.39	140.67	-	-





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
(Asset)/ Liability recognised the Balance Sheet	<b>19.07</b>	7.07	<b>28.51</b>	24.39
<b>(e) Amount Recognised in the Balance Sheet</b>				
Closing Balance of Present Value of Obligation	<b>172.46</b>	147.74	<b>28.51</b>	24.39
Closing Balance of Fair Value of Plan Assets	<b>153.39</b>	140.67	-	-
Funded (Asset)/ Liability recognized in the Balance Sheet	<b>19.07</b>	7.07		
Unfunded Liability recognised in the Balance Sheet	-	-	<b>28.51</b>	24.39
<b>(f) Expenses recognised in the statement of Profit and Loss</b>				
Current Service Cost	<b>13.60</b>	12.00	<b>4.43</b>	3.94
Interest Cost	<b>11.82</b>	10.21	<b>1.95</b>	1.61
Expected Return on Plan Assets	<b>(12.66)</b>	(10.52)	-	-
Net Actuarial (Gain)/Loss recognised in the period	<b>12.37</b>	3.96	<b>6.33</b>	5.20
Expenses recognized in the statement of Profit and Loss	<b>25.13</b>	15.65	<b>12.71</b>	10.75
<b>(g) Experience Adjustments</b>				
Experience adjustment on Plan Liabilities (loss)/gain	<b>(3.32)</b>	(3.78)	<b>(4.66)</b>	(5.20)
Experience adjustment on Plan Assets (loss)/ gain	<b>(0.99)</b>	(0.18)	-	-
<b>(h) Expected employer contribution for the next year</b>	<b>25.38</b>	20.99	<b>8.44</b>	7.46

### 27. Finance Costs

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Interest expense on		
(i) Borrowings	<b>162.28</b>	201.09
(ii) Others	<b>4.81</b>	12.84
(b) Other Borrowing costs	<b>62.58</b>	64.57
(c) Applicable Loss on foreign currency transactions and translation	<b>25.49</b>	124.24
<b>Total</b>	<b>255.16</b>	402.74
Less: Transferred to Expenses Pending for Capitalization	<b>7.51</b>	12.84
<b>Finance Costs transferred to Statement of Profit &amp; Loss</b>	<b>247.65</b>	389.90



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 28. Manufacturing & Other Expenses

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
Stores & Spares Consumed (refer note no.-28.1)	<b>230.90</b>	175.70
Power & Fuel	<b>178.17</b>	153.08
Job Work Expenses	<b>95.53</b>	18.91
Machinery Repairs	<b>178.68</b>	130.55
Building Repairs	<b>46.67</b>	56.91
Other Repairs	<b>111.86</b>	80.49
Research & Development	<b>19.24</b>	17.62
Insurance	<b>7.05</b>	6.35
Rent, Rates and Taxes	<b>102.01</b>	80.49
Travelling & Conveyance	<b>114.49</b>	106.33
Electricity and Water Charges	<b>12.58</b>	12.36
Printing & Stationery	<b>19.01</b>	13.73
Communication Expenses	<b>20.94</b>	17.25
Professional and Consultancy Charges	<b>55.39</b>	45.86
Payment to Auditors (refer note no.-28.2)	<b>40.27</b>	38.60
Business Promotion /Development, Advertisement & Publicity	<b>16.45</b>	15.39
Commission on Sales	<b>476.83</b>	204.57
Packing Cost	<b>332.25</b>	172.05
Forwarding & Freight	<b>388.85</b>	161.67
Watch & Ward Expenses	<b>5.80</b>	5.65
Irrecoverable Debts Written Off	<b>102.21</b>	0.43
CSR Expenditure (refer note no.-28.3)	<b>14.54</b>	10.60
Miscellaneous Expenses	<b>51.17</b>	56.86
Prior Period Expense (refer note no.-28.4)	-	3.15
Excise Duty*	<b>12.29</b>	(4.32)
	<b>2,633.18</b>	1,580.28

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

#### 28.1. Stores & Spares consumed

Particulars	Year Ended March 17		Year Ended March 16	
	(₹ in lacs)	% of Consumption	(₹ in lacs)	% of Consumption
Imported	<b>32.27</b>	<b>14%</b>	13.24	8%
Indigenous	<b>198.63</b>	<b>86%</b>	162.46	92%
	<b>230.90</b>	<b>100%</b>	175.70	100%



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 28.2 Payment to Auditors

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Statutory Audit fee	18.00	16.00
(b) Taxation matters	7.00	7.00
(c) Certification and Consultation fee	15.27	15.60
	<b>40.27</b>	<b>38.60</b>

### 28.3 CSR Expenditure

- Gross amount required to be spent by the Company during the year is ₹ 14.15 lacs.
- Amount spent during the year:

Particulars	In Cash	Yet to be paid in Cash	Total
On Construction/Acquisition of any asset	-	-	-
on Purpose other than the above	12.45	2.10	14.55

### 28.4 Prior Period Items

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
Prior Period Expense	-	3.15
	-	3.15

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

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Exceptional Items Expenses		
- Loss on Sale of Fixed Assets	8.77	32.39
	<b>8.77</b>	<b>32.39</b>
(b) Exceptional Items Income		
- Liabilities/Provisions Written Back	3.95	8.85
- Profit on Sale of Assets	1.58	3.35
	<b>5.53</b>	<b>12.20</b>
<b>Net (Income)/Expenses</b>	<b>3.24</b>	<b>20.19</b>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 30. Earnings Per Share

Particulars	Year Ended March 17	Year Ended March 16
Net Profit attributable to shareholders ( ₹ in lacs)	911.00	411.44
Weighted average number of equity Shares	1,92,01,400	1,92,01,400
Basic and Diluted Earnings per share ( ₹)	4.74	2.14
Face Value per Equity Share ( ₹)	2	2

### 31.1 Earnings in Foreign Exchange

( ₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
FOB Value of Exports (Net of Returns)	5,737.57	4,011.23

### 31.2 Expenditure in Foreign Currency

( ₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Travelling	32.04	28.79
(b) Professional Fees	3.28	0.90
(c) Export Commission	34.98	37.35
(d) Interest Paid on Foreign Currency Borrowings	27.00	39.09
(e) Bank Charges	8.64	6.55
(f) Job Work Charges	32.94	-
(g) Membership & Subscription	0.35	-

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

( ₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Raw Material	4,902.16	4,315.64
(b) Capital Goods	32.70	30.72
(c) Spares parts	43.82	19.63

### 32. Contingent Liabilities in respect of:

( ₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
<b>(A) Contingent Liabilities</b>		
(I) Claim Against the Company Not Acknowledged as Debts	-	-
(II) Guarantees		
a. Bank Guarantee(s) submitted	327.30	314.82
b. Letters of Credit established by the bank	563.01	130.93
c. Corporate Guarantee(s) on behalf of JV/ Associate Company	737.00	737.00



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



Particulars	Year Ended March 17	Year Ended March 16
d. Surety with Sales Tax Department	5.00	5.00
(III) Other Money for which the Company is Contingently Liable		
a. Buyers Credit Interest payable	6.27	6.59
b. Customs duty on Material imported against Advance License /Annexure, for pending export obligation	280.19	74.61

### (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	314.38	307.34
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- 33.** Demand raised by Central Excise & Service Tax Commissionerate towards non-admissibility of Cenvat Credit of Service Tax availed amounts to ₹ Nil (Previous Year ₹ 537.07 lacs), towards excise duty on "Dies and Tools written off by the company ₹ Nil (Previous Year ₹ 3.45 lacs) and towards Cenvat Credit of excise duty ₹17.87 lacs (Previous Year ₹ 17.87 lacs). However the Company has been legally advised that the demand is not enforceable against the Company, being bad in law.
- 34.** Customs Duty not provided for in respect of materials lying in Bonded Warehouses / Materials in Transit as on Balance Sheet date, is of ₹103.39 lacs inclusive of Cenvatable amount of ₹ 77.77 lacs (Previous Year ₹ 203.38 lacs inclusive of Cenvatable amount of ₹ 143.50 lacs). However, the above policy has no impact on the operating results of the Company.
- 35.** Foreign currency exposures (Net) that are not hedged by forward contracts as on 31st March, 2017 amount to ₹ 830.89 lacs (Previous year ₹1,874.09 lacs).
- 36.** The Company's activities involve predominantly one business segment i.e. Process and product Engineering, which are considered to be within a single business segment since these are subject to similar risks and returns. Accordingly, Process and Product Engineering comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by AS 17- Segment Reporting, with respect to primary segments.

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

### Secondary Segmental Information

(₹ in lacs)

Particulars	India		Rest of world		Total	
	Year Ended March 17	Year Ended March 16	Year Ended March 17	Year Ended March 16	Year Ended March 17	Year Ended March 16
Segment Sales	5,745.96	5,621.34	5,984.09	4,062.40	11,730.05	9,683.74
Segment Assets	1,458.61	1,552.64	1,231.49	883.34	2,690.10	2,435.98



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



**37.** “Related Party Disclosure” for the year ended 31<sup>st</sup> March, 2017 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

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

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

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

(₹ in lacs)

Sr. No.	Nature of Transactions	Joint Venture	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence
1.	Job Work Income	9.85 (4.58)	- -	- -	- -	- -
2.	Rent Received	- -	4.14 (4.10)	- -	- -	- -
3.	Job Work Expense	0.07 (0.09)	43.41 (14.24)	- -	- -	- -
4.	Goods Sold	7.99 (7.32)	- -	- -	- -	- -
5.	Sale of Fixed Assets	1.53 -	- -	- -	- -	- -
6.	Goods Purchased	582.31 (265.57)	91.10 (66.97)	- -	- -	- -



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



Sr. No.	Nature of Transactions	Joint Venture	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence
7.	Reimbursement of Expenses(Net)	5.52 (2.87)	0.22 -	- -	- -	- -
8.	Managerial Remuneration	- -	- -	225.27 (188.97)	- -	- -
9.	Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit.	- -	- -	- -	40.79 (61.19)	- -
10.	Rent Paid	- -	- -	- -	- -	77.33 (67.39)
11.	Unsecured Loans					
	i) Taken	- -	- -	- -	- -	217.55 -
	ii) Repaid	- -	- -	- -	- -	171.91 (106.93)
12.	Finance Costs	- -	- -	- -	- -	59.78 (59.11)

### Balances as at 31st March 2017

13.	Investments	1,733.45 (1,733.45)	22.28 (22.28)	- -	- -	- -
14.	Security Deposits	- -	- -	- -	- -	13.50 (13.50)
15.	Unsecured Loans	- -	- -	- -	- -	483.72 (438.08)
16.	Payable	- (68.37)	26.95 (12.40)	- -	- -	0.71 (0.40)
17.	Receivable	1.45 (6.07)	- -	- -	- -	- -

Figures in ( ) indicate previous year's figures.

### 38. Disclosure in respect of Associate

Name of Company	Country of Incorporation	% of Voting power held as at	
		31st March, 2017	31st March, 2016
Shivalik Bimetal Engineers Pvt. Ltd.	India	45%	45%





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2017



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

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

(₹ in lacs)

Name of Company	Amount of Interest based on accounts for the year ended 31st March 2017 (Unaudited)					
	% of shareholding	Assets	Liabilities	Income	Expenditure	Contingent Liabilities
<b>Checon Shivalik Contact Solutions Pvt. Ltd.</b>	<b>50.00%</b>	<b>797.73</b>	<b>797.73</b>	<b>1,019.03</b>	<b>968.53</b>	<b>4.63</b>
	(50.00%)	(675.33)	(675.33)	(774.84)	(769.43)	(1.50)
<b>Innovative Clad Solutions Private Limited</b>	<b>16.01%</b>	<b>844.81</b>	<b>844.81</b>	<b>756.22</b>	<b>837.62</b>	<b>68.39</b>
	(16.01%)	(850.64)	(850.64)	(474.83)	(561.41)	(60.52)

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

### 40. Disclosure on Specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R 308 (E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below.

(₹ in lacs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8.11.2016	1.32	0.36	1.68
(+) Permitted receipts	-	8.72	8.72
(-) Permitted Payments	0.14	8.12	8.26
(-) Amount deposited in Banks	1.18	-	1.18
Closing cash in hand as on 30.12.16	-	0.95	0.95

\* For the purpose of this clause, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the 8th November, 2016.



# INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS



To

**The Members of  
Shivalik Bimetal Controls Limited**

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

We have audited the accompanying consolidated financial statements of Shivalik Bimetal Controls Limited ("hereinafter referred to as "the Company") and its jointly controlled companies & associate company (collectively referred to as "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

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

## **Auditors' Responsibility**

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

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

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.



## INDEPENDENT AUDITORS' REPORT



### Report on Other Legal and Regulatory Requirements

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

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) the consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of the written representations received from the directors of the Company as on 31 March 2017 taken on record by the Board of Directors of the Company and its jointly controlled companies & associate company, none of the Directors of the Group companies is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities in accordance with the generally accepted accounting practice – also refer note 33 to the consolidated financial statements;
  - ii. the Group, its jointly controlled companies & associates did not have any material foreseeable losses on long term contracts including derivatives contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled companies & associates company.
  - iv. the company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 as per Note no 38 and these are in accordance with the books of accounts maintained by the Company.

**For MALIK S & CO.**  
**Chartered Accountants**

Firm Registration No:- 000383N

**Sd/-**

**Suresh Malik**  
**Proprietor**

M.No. 080493

Place : New Delhi

Dated: 23rd August, 2017



## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Shivalik Bimetal Controls Limited (hereinafter referred to as "the Company") and its jointly controlled companies & associate company, as of that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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



## ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



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

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

### **Opinion**

In our opinion, the Company and its jointly controlled companies & associate company, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For MALIK S & CO.**

**Chartered Accountants**

Firm Registration No:- 000383N

**Sd/-**

**Suresh Malik**

**Proprietor**

M.No. 080493

Place : New Delhi

Dated : 23rd August, 2017



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## CONSOLIDATED BALANCE SHEET as at 31st March 2017



(₹ in lacs)

	Note No.	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	<b>384.03</b>	384.03
(b) Reserves and surplus	4	<b>5,910.82</b>	5,092.43
<b>Non-current liabilities</b>			
(a) Long-term borrowings	5	<b>509.15</b>	489.26
(b) Deferred tax liabilities (Net)	6	<b>313.29</b>	281.14
(c) Long-term provisions	7	<b>31.23</b>	26.26
<b>Current liabilities</b>			
(a) Short-term borrowings	8	<b>2,531.36</b>	3,692.48
(b) Trade payables	9	<b>1,207.73</b>	817.04
(c) Other current liabilities	10	<b>846.18</b>	1,030.65
(d) Short-term provisions	11	<b>995.98</b>	639.76
<b>TOTAL</b>		<b>12,729.77</b>	12,453.05
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	<b>3,975.89</b>	4,070.75
(ii) Intangible assets	12	<b>8.44</b>	11.89
(iii) Capital Work In Progress	12	<b>391.13</b>	384.94
(iv) Intangible Assets Under Development	12	<b>58.84</b>	42.83
(b) Non Current Investments	13	<b>56.27</b>	48.48
(c) Goodwill on Consolidation	14	<b>50.37</b>	50.37
(d) Long-term loans and advances	15	<b>109.60</b>	99.81
(e) Other non-current assets	16	<b>627.17</b>	739.68
<b>Current assets</b>			
(a) Current Investments	17	<b>30.57</b>	30.57
(b) Inventories	18	<b>2,963.89</b>	2,656.70
(c) Trade receivables	19	<b>2,973.40</b>	2,630.41
(d) Cash and cash equivalents	20	<b>27.98</b>	821.64
(e) Short-term loans and advances	21	<b>1,359.93</b>	771.90
(f) Other current assets	22	<b>96.29</b>	93.08
<b>TOTAL</b>		<b>12,729.77</b>	12,453.05
<b>III. Notes forming part of the Financial Statements</b> 1 to 38			

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/- **RAJEEV RANJAN** Chief Financial Officer  
Sd/- **AARTI JASSAL** Company Secretary

Sd/- **N.S. GHUMMAN**  
Managing Director  
DIN 00002052

Sd/- **S.S. SANDHU**  
Chairman  
DIN 00002312

Place : New Delhi  
Date : 23rd August ,2017



# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT for the year ended on 31st March, 2017



(₹ in lacs, except per share data)

	Note No.	Year Ended March 17	Year Ended March 16
<b>I Revenue from operations</b>	23	<b>13,022.80</b>	10,867.86
<b>II Other income</b>	24	<b>248.96</b>	66.37
<b>III Total Revenue (I + II)</b>		<b>13,271.76</b>	10,934.23
<b>IV Expenses</b>			
(a) Cost of materials consumed	25	<b>7,217.68</b>	6,347.89
(b) Decrease/(Increase) in Stock	26	<b>(248.04)</b>	99.06
(c) Employee benefits expense	27	<b>1,403.76</b>	1,289.53
(d) Finance costs	28	<b>304.75</b>	442.72
(e) Manufacturing and other expense	29	<b>2,812.11</b>	1,741.14
(f) Depreciation expense	12	<b>422.50</b>	431.22
<b>Total expenses</b>		<b>11,912.76</b>	10,351.56
<b>V Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>1,359.00</b>	582.67
<b>VI Exceptional items (Income)/Expenses</b>	30	<b>4.30</b>	20.16
<b>VII Profit before extraordinary items and tax (V - VI)</b>		<b>1,354.70</b>	562.51
<b>VIII Extraordinary Items</b>		-	-
<b>IX Profit before tax (VII - VIII)</b>		<b>1,354.70</b>	562.51
<b>X Tax expense</b>			
(a) Current tax		<b>451.00</b>	213.05
(b) Mat Credit Entitlement		<b>(4.79)</b>	-
(b) Current tax related to previous years		<b>3.09</b>	9.41
(b) Deferred tax		<b>34.23</b>	15.22
		<b>483.53</b>	237.68
<b>XI Profit/(Loss) after tax before share of Profit /(Loss) of Associate (IX-X)</b>		<b>871.17</b>	324.83
<b>XII Share in Profit/(Loss) of Associates</b>		<b>7.79</b>	7.67
<b>XIII Net Profit /Loss for the Year (XI+XII)</b>		<b>878.96</b>	332.50
<b>XIV Earnings per equity share</b>			
(a) Basic	31	<b>4.58</b>	1.73
(b) Diluted	31	<b>4.58</b>	1.73
<b>XII Notes forming part of the Financial Statements</b>	1 to 38		

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/-  
**RAJEEV RANJAN**  
Chief Financial Officer

Sd/-  
**AARTI JASSAL**  
Company Secretary

Sd/-  
**N.S. GHUMMAN**  
Managing Director  
DIN 00002052

Sd/-  
**S.S. SANDHU**  
Chairman  
DIN 00002312

Place : New Delhi  
Date : 23rd August ,2017





# SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

## CONSOLIDATED CASH FLOW STATEMENT for the year ended on 31st March, 2017



( ₹ in lacs)

Consolidated Cash Flow Statement for the	Year ended March 2017	Year ended March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	1,362.49	656.82
Adjustments for:		
Depreciation	422.50	431.22
Interest Paid	304.75	442.72
Interest Received	(7.36)	(6.71)
Amount Written Back	(8.61)	(8.87)
Debtors/ Unrecoverable Amount Written Off	102.40	0.53
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss/ (gain)	0.59	(0.01)
(Profit)/Loss on sale of Fixed Asset	8.94	29.04
<b>Operating Profit before Working Capital changes</b>	<b>2,185.70</b>	<b>1,544.74</b>
Adjustment for :		
Trade and other receivables	(339.54)	(26.64)
Inventories	(300.53)	462.23
Trade Payables	384.80	(453.12)
Loans and Advances	(204.34)	204.85
<b>Cash generated from operations</b>	<b>1,726.09</b>	<b>1,732.06</b>
Direct taxes paid	(473.36)	(157.18)
Cash flow from Ordinary items	1,252.73	1,574.88
	-	-
<b>Net Cash flow from operating Activities</b>	<b>1,252.73</b>	<b>1,574.88</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(358.90)	(206.27)
Sale of Fixed Assets	19.43	37.43
Capital Work In Progress	(22.20)	(17.31)
Capital Advance	(4.38)	10.92
Interest Received	7.36	6.71
Capital Subsidy Received	1.45	-
Long Term Investment	(7.79)	(7.67)
Other Investment	-	(13.00)
Share Capital/Application Money	-	(49.62)
Net cash (used in)/ from investing activities	(365.03)	(238.81)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Bank Borrowings	(1,161.12)	358.03
Vehicle Loan	(40.52)	(45.72)
Term Loan Paid	(164.82)	(307.91)
Unsecured Loan	48.08	(112.55)
Interest Paid	(304.75)	(442.72)
Dividend Including Dividend tax paid/Transferred to Investor Protection fund	(57.64)	(2.78)
	-	-
<b>Net Cash (used in) from financing activities</b>	<b>(1,680.77)</b>	<b>(553.65)</b>
<b>NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS</b>	<b>(793.07)</b>	<b>782.42</b>
Cash and Cash equivalents as on 1st April, 2016 (Opening Balance)	821.64	39.21
Exchange Difference on translation of foreign currency cash & cash equivalent	(0.59)	0.01
Cash and Cash equivalents as on 31st March,2017 (Closing Balance)	27.98	821.64
Cash and Cash equivalents as on 31st March,2017 as per books	27.98	821.64

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/-  
**RAJEEV RANJAN**  
Chief Financial Officer

Sd/-  
**AARTI JASSAL**  
Company Secretary

Sd/-  
**N.S. GHUMMAN**  
Managing Director  
DIN 00002052

Sd/-  
**S.S. SANDHU**  
Chairman  
DIN 00002312

Place : New Delhi  
Date : 23rd August, 2017



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2017)



### 1. BACKGROUND

Shivalik Bimetal Controls Ltd. (referred to as “SBCL”, “Parent” or “the Company”) was incorporated in 1984. The Company is carrying on the business of manufacturing & sales of Thermostatic Bimetal / Trimetal strips, components, EB welded products, Cold Bonded Bimetal Strips and Parts etc., The application of “SBCL’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. SBCL has the following Associate and Joint Venture as on 31st March 2017:

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

### 2. SIGNIFICANT ACCOUNTING POLICIES:

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

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The financial statements are presented in Indian Rupee rounded off to the nearest Rupees in lacs.

#### 2.2 PRINCIPLES OF CONSOLIDATION

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

The Consolidated Financial Statements include the Financial Statements of the Company, its associate company and two joint venture Companies as at 31st March 2017 according to Accounting Standards-23 and 27 issued by ICAI on the following basis:

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



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2017)



### 2.3 Use of Estimates

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

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

### 2.4 Inventories

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

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

### 2.5 Cash and cash equivalents

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

### 2.6 Cash Flow Statements

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

### 2.7 Research & Development Expenditure

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

### 2.8 Revenue Recognition

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



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2017)



### 2.9 Export Benefits

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

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

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

In accordance with AS-10 referred to as "Property, Plant and Equipment", subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

- b. Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation or amortization and impairment, if any.
- c. Capital work-in-progress represents the cost of tangible assets that are not yet ready for their intended use at the reporting date.
- d. Cost of in-house assembled/fabricated fixed assets comprise those costs that relate directly to the specific assets and other costs that are attributable to the assembly/fabrication thereof.
- e. Depreciation on Fixed Assets is provided based on useful lives of assets as prescribed in Schedule-II to Companies Act 2013 except in respect of followings assets where estimated useful life is different than these mentioned in Schedule II are as follows:-

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

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

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

### 2.11 Lease

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



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2017)



### 2.12 Foreign Currency Transactions

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

### 2.13 Forward Contracts

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

### 2.14 Investments

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

### 2.15 Employees' Benefits

- a. Defined Contribution Plans:

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

- b. Defined Benefit Plans:

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

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

### 2.16 Borrowing Costs

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



## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2017)



get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

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

### 2.17 Inter unit Transactions

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

### 2.18 Earnings Per share

Basic Earnings per Share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.

### 2.19 Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits/ benefits computed in accordance with the provisions of the Income Tax Act 1961.

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

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

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

### 2.20 Impairment

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

### 2.21 Provision, Contingent Liabilities and Contingent Assets

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

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

Contingent liability is disclosed in case of

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

Contingent assets are neither recognized nor disclosed.

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



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



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

### 3. Share Capital

(₹ in lacs, except per share data)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Authorised</b>		
Equity Shares of ₹ 2/- each		
7,50,00,000 (Previous Year 7,50,00,000) equity shares	<b>1,50,000</b>	1,50,000
<b>Issued, Subscribed and Paid up</b>		
Equity Shares of ₹ 2/- each		
1,92,01,400 (Previous Year 1,92,01,400) equity shares	<b>384.03</b>	384.03
<b>Total</b>	<b>384.03</b>	384.03

#### 3.1 Reconciliation of Number of Shares

Particulars	Equity Shares (Numbers)	
	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Shares as at beginning of the year	<b>1,92,01,400</b>	1,92,01,400
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares as at end of the year	<b>1,92,01,400</b>	1,92,01,400

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

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

#### 3.4 Shareholders holding more than 5% shares

Name of Shareholders	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. N. S. Ghumman	<b>14,65,000</b>	<b>7.63</b>	14,65,000	7.63
O D Finance and Investment Pvt. Ltd.	<b>24,88,989</b>	<b>12.96</b>	15,36,989	8.00
Ultra Portfolio Management Pvt. Ltd.	<b>9,78,590</b>	<b>5.10</b>	9,78,590	5.10
TSL Holdings Limited	<b>27,90,200</b>	<b>14.53</b>	27,90,200	14.53
Angad Estates Pvt. Ltd.	<b>16,55,000</b>	<b>8.62</b>	16,55,000	8.62





## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 4. Reserves and Surplus

	(₹ in lacs)	
Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>(a) Capital Reserve</b>		
Opening Balance	4.61	4.61
Add: Capital subsidy received	1.45	-
	<b>6.06</b>	4.61
<b>(b) General Reserve</b>		
Opening Balance	2,556.93	2,456.93
Add: Transferred from Profit & Loss Account	200.00	100.00
Less: Adjustment for Depreciation on Fixed Assets (refer note no.-12)	4.24	-
	<b>2,752.69</b>	2,556.93
<b>(c) Profit &amp; Loss Account</b>		
Opening balance	2,530.89	2,211.75
Add: Profit for the year	878.96	332.50
Amount available for Appropriations	3,409.85	2,544.25
Add/(Less): Appropriations		
- Interim Dividend	(57.78)	-
- General Reserve	(200.00)	(100.00)
- Adjustment due to change in holding in joint venture during the year	-	86.64
	<b>3,152.07</b>	2,530.89
	<b>5,910.82</b>	5,092.43

### 5. Long Term Borrowings

	(₹ in lacs)	
Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Secured</b>		
From Banks		
Foreign Currency Loan	-	-
Rupee Loan	160.62	126.11
Sub Total	<b>160.62</b>	126.11
Vehicle Loan	19.62	34.50
<b>Unsecured</b>		
From Others	328.91	328.65
Total	<b>509.15</b>	489.26



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 6. Deferred Taxes

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Deferred Tax Liabilities</b>	<b>281.14</b>	265.92
Depreciation on Fixed Assets	<b>29.24</b>	23.48
Less: Adjustment due to change in holding of joint venture during the year	-	4.43
	<b>310.38</b>	284.97
<b>Deferred Tax Assets</b>		
Employee Benefits	<b>(2.86)</b>	2.88
Others	<b>(0.05)</b>	0.95
	<b>(2.91)</b>	3.83
<b>Deferred Tax Liabilities (Net)</b>	<b>313.29</b>	281.14

### 7. Long Term Provisions

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>(a) Provision for employee benefits</b>		
- Unavailed Leave	<b>30.78</b>	25.79
<b>b) Other Provisions</b>		
- Excise duty on Finished goods	<b>0.45</b>	0.47
	<b>31.23</b>	26.26

### 8. Short Term Borrowings

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Secured</b>		
<b>Working Capital Loans</b>		
<b>From Banks<sup>(1)</sup></b>		
Foreign Currency Loan	<b>1,827.72</b>	2,402.86
Rupee Loan	<b>703.64</b>	1,272.12
<b>Unsecured</b>		
From Others	-	17.50
	<b>2,531.36</b>	3,692.48

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



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 9. Trade Payable

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Micro, Small and Medium Enterprises	2.89	1.79
Others	1,204.84	815.25
	<b>1,207.73</b>	<b>817.04</b>

### 10. Other Current Liabilities

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Current maturities of long-term debt (refer note no.-5)	344.48	521.65
(b) Interest accrued but not due on borrowings	8.02	7.50
(c) Interest accrued and due on borrowings	3.59	4.49
(d) Unclaimed dividends	6.53	6.39
(e) Other Payables		
(i) Statutory Dues	75.88	62.96
(ii) Advance From Customers	48.41	151.91
(iii) Others	351.96	273.27
(iv) Forward Contract Liability	7.31	2.48
	<b>846.18</b>	<b>1,030.65</b>

### 11. Short Term provisions

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Provision for employee benefits		
i) Bonus	46.53	71.30
ii) Unavailed Leave	2.70	2.53
iii) Provision for Gratuity	4.95	4.66
(b) Provision for Excise Duty on Finished Goods	26.47	14.18
(c) Taxation	915.33	547.09
	<b>995.98</b>	<b>639.76</b>



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 12. Non Current Assets- Fixed Assets

(₹ in lacs)

	Fixed Assets	Gross Block							Accumulated Depreciation					Net Block	
		As at 1st April 2016	Additions during the year	Disposals during the year	Revaluations/ (Impairments)	Effect of Foreign Currency Difference	Borrowing Cost Capitalised	As at 31st March 2017	As at 1st April 2016	Depreciation charged for the year	Other Adjustments	On disposals	As at 31st March 2017	As at 31st March 2016	
(a)	Tangible Assets														
	Leasehold Land	32.06	-	-	-	-	-	32.06	7.41	0.95		-	8.36	24.64	
	Land & Site Development	195.86	-	-	-	-	-	195.86	-	-		-	195.86	195.86	
	Buildings	609.00	-	-	-	-	-	609.00	236.84	31.21		-	268.05	372.15	
	Plant and Equipment	5,027.41	279.05	9.04	-	(2.39)	-	5,295.03	1,970.63	274.60	6.33	6.88	2,244.68	3,056.78	
	Furniture and Fixtures	212.29	3.90	0.54	-	-	-	215.65	145.47	18.82		0.55	163.74	66.83	
	Vehicles	578.73	52.70	50.68	-	-	-	580.75	255.51	74.94		24.67	305.78	324.67	
	Office Equipment	214.56	25.06	1.59	-	-	-	238.03	183.30	17.96		1.38	199.88	29.82	
	Total (a)	6,869.91	360.71	61.85	-	(2.39)	-	7,166.38	2,799.16	418.48	6.33	33.48	3,190.49	4,070.75	
(b)	Intangible Assets*														
	Computer software	37.33	0.58	-	-	-	-	37.91	25.45	4.02			29.47	11.89	
	Total (b)	37.33	0.58	-	-	-	-	37.91	25.45	4.02	-	-	29.47	11.89	
	Total (a+b)	6,907.24	361.29	61.85	-	(2.39)	-	7,204.29	2,824.61	422.50	6.33	33.48	3,219.96	4,082.64	
(c)	Capital Work In Progress :														
	Plant & Machinery under Installation												391.13	384.94	
	Total												391.13	384.94	
(d)	Intangible Assets under Development*:														
	ERP Server Under Development												58.84	42.83	
	Total												58.84	42.83	



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 13. Non Current Investments

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Other Investments</b>		
<b>(a) In Equity Shares of Associate</b>		
222,750 shares in Shivalik Bimetal Engineers Pvt. Limited of ₹10/- each (Previous Year 222,750 shares of ₹10/- each) (Includes Share of post acquisition profit of ₹3199 thousands)	<b>54.27</b>	46.48
<b>(b) In Equity Shares of Other Company</b>		
20,000 shares in Shivalik Solid Waste Management Pvt. Limited of ₹ 10/- each (Previous Year 20,000 shares of ₹10/- each)	<b>2.00</b>	2.00
	<b>56.27</b>	48.48

### 14. Goodwill On Consolidation

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Goodwill*</b>		
	<b>50.37</b>	50.37
	<b>50.37</b>	50.37

\*represents excess of cost of investment made by the Company in the Joint Venture entity over the amount of Share Capital, subscribed by the company.

### 15. Long term Loans and Advances

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>(a) Capital Advances</b>		
Unsecured, considered good	<b>20.34</b>	15.95
	<b>20.34</b>	15.95
<b>(b) Security Deposits</b>		
Unsecured, considered good		
Balances with Government Authorities	<b>24.68</b>	23.77
Others	<b>20.14</b>	19.90
	<b>44.82</b>	43.67
<b>(c) Other loans and advances</b>		
Unsecured, Considered good		
Custom Duty Recoverable	-	0.78
Prepaid Expenses	<b>1.95</b>	1.71
MAT Credit Entitlement	<b>42.49</b>	37.70
	<b>44.44</b>	40.19
	<b>109.60</b>	99.81



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 16. Other Non Current Assets

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>(a) Long Term Trade Receivables</b>		
Unsecured		
Considered good	605.89	711.74
Considered doubtful	4.01	100.93
	609.90	812.67
Less: Provision for doubtful debts	4.01	100.93
	605.89	711.74
<b>(b) Others</b>		
Inventories	21.28	27.94
	21.28	27.94
	627.17	739.68

### 17. Current Investments

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Other Investments</b> (valued at Cost)	30.57	30.57
	30.57	30.57

### 18. Inventories

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>(a) Raw Materials</b>		
(i) At Store	984.32	661.66
(ii) At Bonded Warehouse	473.14	714.94
(iii) Material in transit	190.74	208.92
	1,648.20	1,585.52
<b>(b) Work-in-Process*</b>	748.67	635.42
	748.67	635.42
<b>(c) Finished goods</b>		
(i) At Store	395.81	266.37
(ii) Material in transit*		
	395.81	266.37
<b>(d) Stores, Spares and Packing Material</b>	143.35	147.90
	143.35	147.90
<b>(e) Scrap</b>	27.86	21.49
	27.86	21.49
	2,963.89	2,656.70

\*No material variation is seen in respect of value of Inventory (WIP), of a JV entity namely CSCS in regard to adoption of FIFO method vis-à-vis weighted average method, accordingly no re-computation is called for.



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 19. Trade Receivables

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Trade Receivables</b>		
(Unsecured and Considered Good)		
(a) Over six months from the date they were due for payment	5.78	31.74
(b) Others	2,967.62	2,598.67
	<b>2,973.40</b>	<b>2,630.41</b>

### 20. Cash and Cash Equivalents

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Balances with banks in		
- Current Accounts	13.43	7.57
- Current Accounts in Foreign Currency	3.73	5.91
- Fixed Deposits	-	800.00
(b) Cash on hand	4.29	1.77
(c) Unpaid Dividend held in Bank Accounts	6.53	6.39
	<b>27.98</b>	<b>821.64</b>

### 21. Short Term Loans and Advances

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Unsecured, considered good</b>		
(a) Loans and advances to Employees	1.49	0.43
(b) Prepaid Expenses	49.17	29.33
(c) Balances with Revenue authorities	1,254.61	697.29
(d) MAT Credit Entitlement	-	-
(e) Security Deposits	1.24	0.64
(f) Other loans and advances	53.42	44.21
	<b>1,359.93</b>	<b>771.90</b>

### 22. Other Current Assets

(₹ in lacs)

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
a) Interest accrued but not due on FDR	4.78	5.43
b) Margin Money Deposit against Bank Guarantee (s)	91.51	87.65
	<b>96.29</b>	<b>93.08</b>





## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 23. Revenue from Operations

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
Sale of products	13,577.82	11,377.47
Less: Excise duty	690.64	706.19
	12,887.18	10,671.29
Other Operating Revenues	135.62	196.58
	13,022.80	10,867.86

### 24. Other Income

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Interest on deposits with bank	6.69	6.70
(b) Rent Received	3.60	3.60
(c) Interest received on Income Tax refund	0.67	0.01
(d) Miscellaneous Income	3.39	4.69
(e) Export Incentives	4.30	1.15
(f) Foreign Exchange Fluctuation Gain/(Loss)	230.31	50.22
	248.96	66.37

### 25. Cost of Materials Consumed

Particulars	Year Ended March 17		Year Ended March 16	
	(₹ in lacs)	% of Consumption	(₹ in lacs)	% of Consumption
Imported	6,781.37	94%	4,758.57	75%
Indigenous	436.31	6%	1,589.32	25%
	7,217.68	100%	6,347.89	100%

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

(₹ in lacs)

Particulars	Year Ended March 17		Year Ended March 16	
<b>Inventory (at Beginning)</b>				
-Finished Goods	267.63		243.60	
-Work-in-Process	638.29		766.90	
-Scrap	21.49	927.41	15.97	1,026.47
<b>Inventory (at Close)</b>				
-Finished Goods	397.04		267.63	
-Work-in-Process	750.56		638.29	
-Scrap	27.85	1,175.45	21.49	927.41
<b>(Increase)/Decrease</b>		(248.04)		99.06



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 27. Employee Benefit Expenses

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Salaries and Wages	1,163.59	1,081.71
(b) Contributions to -		
(i) Provident fund	65.50	58.24
(ii) ESI Contribution	12.55	9.44
(iii) Gratuity fund contributions	28.81	18.08
(c) Staff welfare expenses	133.31	122.06
<b>Total</b>	<b>1,403.76</b>	<b>1,289.53</b>
<b>Employee Benefit Expenses transferred to Statement of Profit &amp; Loss</b>	<b>1,403.76</b>	<b>1,289.53</b>

#### 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 lacs)

Particulars	2016-17	2015-16
(a) Employer’s Contribution to Provident Fund	38.90	34.04
(b) Employer’s Contribution to Pension Scheme	26.60	24.20

##### (II) Defined Benefit Plan

- (a) Gratuity
- (b) Leave Encashment

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



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



Particulars	2016-17		2015-16	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	7.54%	7.54%	8.00%	8.00%
Rate of escalation in Salary (per annum)	6.00%	6.00%	6.00%	6.00%
Expected Rate of return on plan assets (per annum)	7.55%		9.00%	
Expected Average remaining working lives of employees in no. of years	20.63	20.63	21.13	21.13
Mortality Table	IALM (2006-08)		IALM (2006-08)	

(₹ in lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
<b>(a) Changes in Present Value of Obligation</b>				
Opening balance of Present value of obligation	156.86	134.01	27.67	22.89
Interest Cost	12.55	10.72	2.21	1.83
Current Service Cost	15.41	13.51	5.28	4.65
Benefits Paid	(12.06)	(5.84)	(8.81)	(7.15)
Actuarial (Gain)/Loss on Obligation	12.90	4.46	7.28	5.45
Closing Balance of Present value of obligation	185.66	156.86	33.63	27.67
<b>(b) Changes in Fair Value of Plan Assets</b>				
Opening balance of Fair Value of Plan Assets	145.16	120.43	-	-
Expected Return on Plan Assets	13.04	10.84	-	-
Employer's Contribution	16.46	19.93	-	-
Benefits paid	(12.56)	(5.84)	-	-
Actuarial Gain/ (Loss) on Plan Assets	(0.97)	(0.23)	-	-
Closing balance of Fair value of Plan Assets	161.13	145.13	-	-
Actual return on Plan Assets	11.92	10.50	-	-
<b>(c) Percentage of each category of Plan Assets to total Fair value of Plan assets</b>				
Administered by Life Insurance Corporation of India	100%	100%	-	-
<b>(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets</b>				



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2016-17	2015-16	2016-17	2015-16
Closing Balance of Present Value of Obligation	<b>185.66</b>	156.86	<b>33.63</b>	27.67
Closing Balance of Fair Value of Plan Assets	<b>161.13</b>	145.13	-	-
(Asset)/ Liability recognised the Balance Sheet	<b>24.53</b>	11.73	<b>33.63</b>	27.67
<b>(e) Amount Recognised in the Balance Sheet</b>				
Closing Balance of Present Value of Obligation	<b>185.66</b>	156.86	<b>33.63</b>	27.67
Closing Balance of Fair Value of Plan Assets	<b>161.13</b>	145.13	-	-
Funded (Asset)/ Liability recognized in the Balance Sheet	<b>24.53</b>	11.73		
Unfunded Liability recognised in the Balance Sheet	-	-	<b>33.63</b>	27.67
<b>(f) Expenses recognised in the statement of Profit and Loss</b>				
Current Service Cost	<b>15.41</b>	13.51	<b>5.28</b>	4.65
Interest Cost	<b>12.55</b>	10.72	<b>183.00</b>	1.83
Expected Return on Plan Assets	<b>(13.04)</b>	(10.84)	-	-
Net Actuarial (Gain)/Loss recognised in the period	<b>13.87</b>	4.69	<b>7.28</b>	5.45
Expenses recognized in the statement of Profit and Loss	<b>28.79</b>	18.08	<b>14.77</b>	11.93
<b>(g) Experience Adjustments</b>				
Experience adjustment on Plan Liabilities (loss)/gain	<b>(3.74)</b>	(4.54)	<b>(5.22)</b>	(5.69)
Experience adjustment on Plan Assets (loss)/ gain	<b>(0.97)</b>	(0.23)	-	-
<b>(h) Expected employer contribution for the next year</b>	<b>27.78</b>	23.04	<b>9.71</b>	8.42

### 28. Finance Costs

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Interest expense on		
(i) Borrowings	<b>207.46</b>	245.42
(ii) Others	<b>4.86</b>	13.10
(b) Other Borrowing costs	<b>71.75</b>	71.64
(c) Applicable Loss on foreign currency transactions and translation	<b>28.19</b>	125.40
<b>Total</b>	<b>312.26</b>	455.56
Less: Transferred to Expenses Pending for Capitalization (Unit-IV)	<b>7.51</b>	12.84
<b>Finance Costs transferred to Statement of Profit &amp; Loss</b>	<b>304.75</b>	442.72



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 29. Manufacturing & Other Expenses

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
Stores & Spares Consumed	270.67	201.89
Power & Fuel	212.53	185.11
Job Work Expenses	98.23	21.92
Machinery Repairs	181.80	132.72
Building Repairs	50.97	64.25
Other Repairs	120.63	87.84
Research & Development	19.24	17.62
Insurance	9.74	8.13
Rent, Rates and Taxes	111.57	89.24
Travelling & Conveyance	127.75	123.27
Electricity and Water Charges	13.81	13.43
Printing & Stationery	20.37	14.72
Communication Expenses	23.20	19.81
Professional and Consultancy Charges	59.96	54.17
Payment to Auditors	45.26	43.51
Business Promotion /Development, Advertisement & Publicity	21.39	20.61
Commission on Sales	479.74	206.51
Packing Cost	337.74	178.82
Forwarding & Freight	408.75	175.03
Watch & Ward Expenses	11.90	11.19
Irrecoverable Debts Written Off	102.40	0.53
CSR Expenditure	14.55	10.60
Miscellaneous Expenses	56.57	60.91
Prior Period Expense	1.06	3.57
Excise Duty*	12.28	(4.26)
<b>Total</b>	<b>2,812.11</b>	<b>1,741.14</b>
<b>Manufacturing Expenses transferred to Statement of Profit &amp; Loss</b>	<b>2,812.11</b>	<b>1,741.14</b>

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

#### 29.1. Stores & Spares consumed

Particulars	Year Ended March 17		Year Ended March 16	
	( ₹ in lacs)	% of Consumption	( ₹ in lacs)	% of Consumption
Imported	45.85	17%	21.06	10%
Indigenous	224.82	83%	180.83	90%
	<b>270.67</b>	<b>100%</b>	<b>201.89</b>	<b>100%</b>



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 29.2 Payment to Auditors

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) As Statutory Audit fee	20.30	18.30
(b) Taxation matters	8.39	8.39
(c) Certification and Consultation fee	16.57	16.82
	<b>45.26</b>	<b>43.51</b>

### 29.3 Prior Period Items

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Prior Period Expense	1.06	3.57
(b) Prior Period (Income)	-	-
	<b>1.06</b>	<b>3.57</b>

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

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
(a) Exceptional Items Expenses		
- Provision for Doubtful Debts	3.97	-
- Loss on Sale of Fixed Assets	10.90	32.38
	<b>14.87</b>	<b>32.38</b>
(b) Exceptional Items Income		
- Liabilities/Provisions Written Back	8.61	8.87
- Profit on Sale of Assets	1.96	3.35
	<b>10.57</b>	<b>12.22</b>
<b>Net (Income)/Expenses</b>	<b>4.30</b>	<b>20.16</b>

### 31. Earnings Per Share

Particulars	Year Ended March 17	Year Ended March 16
Net Profit attributable to shareholders ( ₹ in lacs)	878.96	332.50
Weighted average number of equity Shares	1,92,01,400	1,92,01,400
Basic and Diluted Earnings per share ( ₹)	4.58	1.73
Face Value per Equity Share (₹)	2.00	1.73



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



### 32. Contingent Liabilities in respect of:

(₹ in lacs)

Particulars	Year Ended March 17	Year Ended March 16
<b>(A) Contingent Liabilities</b>		
(I) Claim Against the Company Not Acknowledged as Debts	<b>5.17</b>	5.76
(II) Guarantees		
a. Bank Guarantee(s) submitted	<b>327.30</b>	314.82
b. Letters of Credit established by the bank	<b>566.00</b>	130.93
c. Corporate Guarantee(s) on behalf of JV/ Associate Company	<b>737.00</b>	737.00
d. Surety with Sales Tax Department	<b>6.50</b>	6.50
(III) Other Money for which the Company is Contingently Liable		
a. Buyers Credit Interest payable	<b>6.27</b>	6.59
b. Customs duty on Material imported against Advance License /EPCG Scheme, for pending export obligation	<b>280.19</b>	74.61
c. Local Sales Tax Authorities	<b>4.42</b>	5.40
d. Custom Duty foregone on import of Raw Material,Capital Goods and others items being joint venture company in SEZ.	<b>56.21</b>	49.33
<b>(B) Commitments</b>		
(a) Estimated amount of contracts (net of advances) exceeding ₹ 1.00 lakh in each case remaining to be executed on capital account and not provided for	<b>318.85</b>	307.38

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

Particulars	Year Ended March 17	Year Ended March 16
(a) Lease rental due not later than one year	<b>6.24</b>	6.03
(b) Lease rental due later than one year but not later than Four years	<b>9.00</b>	13.50
(c) Lease rental due later than one year but not later than Five years	<b>6.11</b>	6.11

- 34.** Demand raised by Central Excise & Service Tax Commissionerate towards non-admissibility of Cenvat Credit of Service Tax availed amounts to ₹ Nil (Previous Year ₹ 537.07 lacs), towards excise duty on "Dies and Tools written off", by the company ₹ Nil (Previous Year ₹ 3.45 lacs) and towards Cenvat Credit of excise duty ₹17.87 lacs (Previous Year ₹ 17.87 lacs). However the Company has been legally advised that the demand is not enforceable against the Company,being bad in law.
- 35.** Foreign currency exposures (Net) that are not hedged by forward contracts as on 31st March, 2017 amount to ₹ 2,604.38 lacs (Previous Year ₹ 2,676.66 lacs).





## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



**36.** “Related Party Disclosure” for the year ended 31st March, 2017 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

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

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

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

(₹ in lacs)

Sr. No.	Nature of Transactions	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence
1.	Managerial Remuneration	233.02 (195.53)	- -	- -
2.	Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit.		59.71 (109.49)	-
3.	Rent Paid	-	-	78.83 (67.24)

## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



Sr. No.	Nature of Transactions	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence
4.	Unsecured Loans			
	i) Taken			220.05 (17.50)
	ii) Repaid			189.47 (115.31)
5.	Finance Costs	-	-	60.55 (59.53)

### Balances as at 31st March 2017

Sr. No.	Nature of Transactions	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence
6.	Security Deposits	-	-	13.50 (13.50)
7.	Unsecured Loans	-	-	486.16 (455.64)

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

(₹ in lacs)

S. No.	Name of Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit & Loss	
		As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount
	<b>Parent</b>				
1.	Shivalik Bimetal Controls Limited	116.74	7,348.83	103.65	911.00
	<b>Joint Ventures</b>				
1.	Checon Shivalik Contact Solutions Pvt. Ltd	9.64	606.74	8.41	73.92
2.	Innovative Clad Solutions Pvt. Ltd	29.15	1,834.63	(54.57)	(479.66)



## Notes on Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2017



S. No.	Name of Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit & Loss	
		As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount
	<b>Associates</b>				
1.	Shivalik Bimetal Engineers Pvt Ltd.	1.85	116.64	1.97	17.32
	CFS Adjustment and elimination	(57.38)	(3,611.99)	40.54	356.39
	<b>Total</b>	<b>100.00</b>	<b>6,294.85</b>	<b>100.00</b>	<b>878.96</b>

### 38 Disclosure on Specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R 308 (E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below.

(₹ in lacs)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8.11.2016	1.37	1.48	2.85
(+) Permitted receipts	-	13.86	13.86
(-) Permitted Payments	0.14	13.63	13.77
(-) Amount deposited in Banks	1.23	-	1.23
<b>Closing cash in hand as on 30.12.16</b>	<b>-</b>	<b>1.71</b>	<b>1.71</b>

\* For the purpose of this clause, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the 8th November, 2016.



## SHIVALIK BIMETAL CONTROLS LIMITED

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

CIN: L27101HP1984PLC005862

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

Website: www.shivalikbimetals.com

### ATTENDENCE SLIP

(to be handed over at the registration counter)

Name of the member (s): .....

Address: .....

.....

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

No. of shares:.....

I/We hereby record my/our presence at the 33rd Annual General Meeting of the Company on Wednesday, 27th day of September, 2017 at Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts) Solan (H.P.)-173212, at 10.00 AM.

.....  
First/sole holder/Proxy

.....  
Second holder/Proxy

.....  
Third holder/Proxy





## Form No MGT 11 PROXY FORM

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

### SHIVALIK BIMETAL CONTROLS LIMITED

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

**CIN: L27101HP1984PLC005862**

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

Website: www.shivalikbimetals.com

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

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

1. Name: ..... Address: .....  
Email Id: ..... Signature: .....
2. Name: ..... Address: .....  
Email Id: ..... Signature: .....
3. Name: ..... Address: .....  
Email Id: ..... Signature: .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Wednesday, 27th day of September, 2017 at Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts) Solan (H.P.)-173212, at 10.00 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Ordinary Business
1.	To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated Financial Statements) of the Company for the financial year ended March 31, 2017 and the Reports of Directors and Auditors thereon.
2.	To confirm the payment of Interim Dividends on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2016-17.
3.	To appoint a Director in place of Mrs. Harpreet Kaur (DIN: 07012657), who retires by rotation and being eligible, offers herself for re-appointment.
4.	To appoint M/s. Arora Gupta & Co., Chartered Accountants, (Firm Registration No. 021313C) as the Statutory Auditors of the Company for a period of 5 years.
Special Business	
5	Appointment of Mr. Ramawatar Sunar, Cost Accountants, (Firm Registration No. 100691) as the Cost Auditors of the Company and fix their remuneration.
6	Alteration of Articles of Association of the Company.
7	Re-appointment of Mr. S.S. Sandhu, as Chairman and Whole Time Director of the Company & revision in the remuneration.
8	Revision in managerial remuneration of Mr. N.S. Ghumman, as Managing Director of the Company.
9	Approval of the enhancement in prescribed limit of remuneration payable to related parties appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company;
10	Appointment of Mr. Nirmaljeet Singh Gill as an Independent Director.
11	Appointment of Mr. Rohit Kapur as an Independent Director.
12	Appointment of Mr. Jitender Singh Mann as an Independent Director.
13	Appointment of Mr. Pradeep Khanna as an Independent Director.
14	Issuance of Bonus Shares, if any.

Signed this ..... day of ..... 2017

Signature of Shareholder: .....

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

Affix a  
Revenue  
Stamp of  
Rs. 1.00

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

## Route Map for 33rd Annual General Meeting







## **SHIVALIK BIMETAL CONTROLS LIMITED**

CIN: L27101HP1984PLC005862

H-2, Suneja Chambers, 2<sup>nd</sup> Floor, Alaknanda Commercial Complex,  
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Fax : +91-11-26026776, 26020806

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

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