



# SHIVALIK BIMETAL CONTROLS LIMITED

## *25<sup>th</sup> Annual Report*

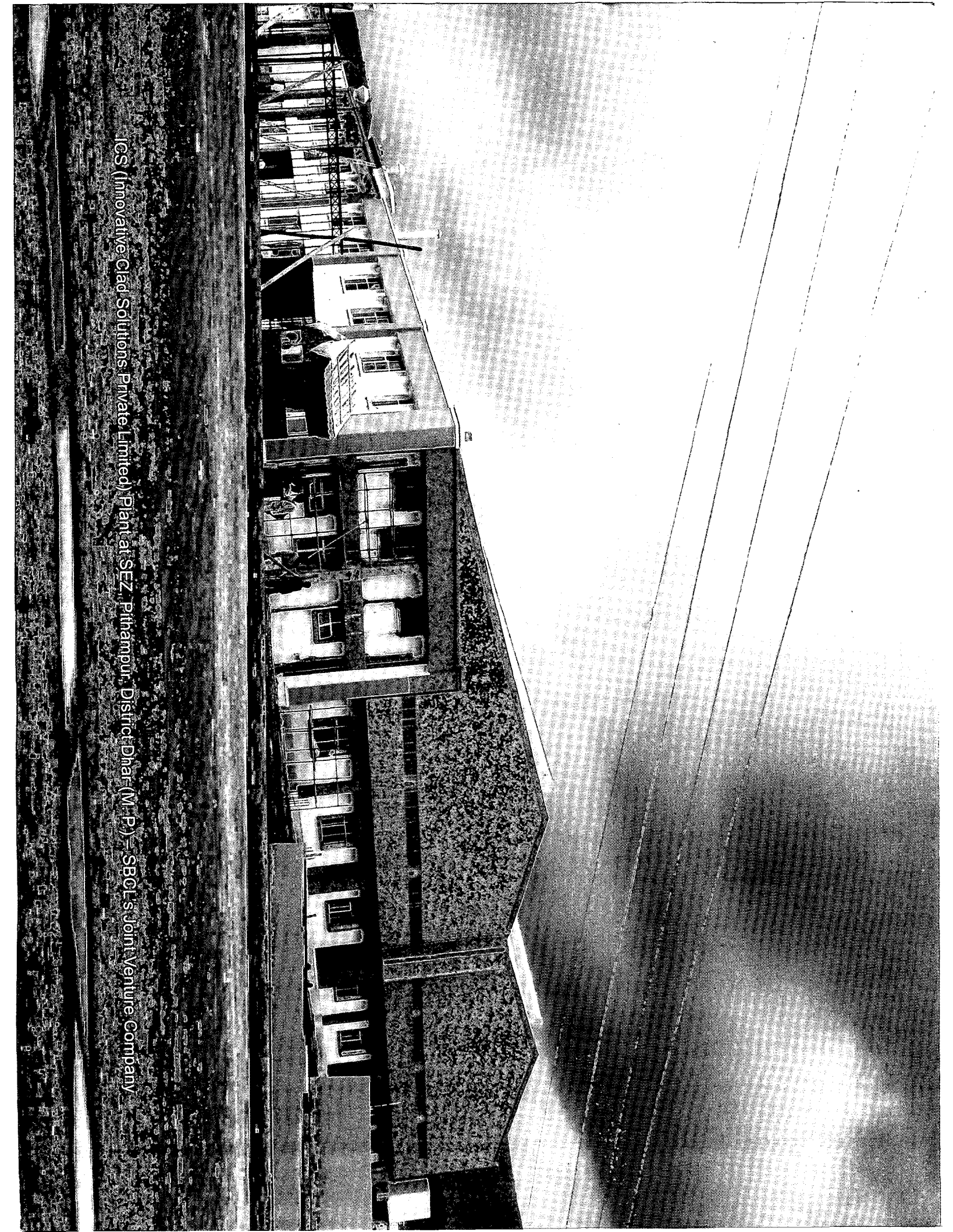
2008-09



SBCL Plant at Chambaghat, Solan, Himachal Pradesh



IGS (Innovative Clad Solutions Private Limited) Plant at SEZ, Pithampur, District Dhar (M.P.) - SBCL's Joint Venture Company





**BOARD OF DIRECTORS**

**S.S. Sandhu**  
**Chairman**

**N.S. Ghumman**  
**Managing Director**

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

Brig. H.S. Sidhu (Retd.)	Director
S.C. Verma	Director
A.K. Sud	Director
Rohit Kapur	Director
G.S. Gill	Director
N.J.S. Gill	Director
G.C. Prabhu	Director

K.S. Negi  
**General Manager (Finance & Admn.)**

Pooja Hiranandani  
**Company Secretary**

**Auditors :**

Malik S & Co.  
Chartered Accountants  
New Delhi

**Bankers :**

Indian Bank  
Standard Chartered Bank

**Registrar & Transfer Agent**

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

**Regd. Office :**

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

**Head Office :**

H-2, Suneja Chambers, 2nd Floor  
Alaknanda Commercial Complex  
New Delhi-110 019



## CONTENTS

## Page No.

◆ Notice to the members	1
◆ Annexure to Notice	3
◆ Directors' Report	5
◆ Annexure to Directors' Report	10
◆ Management Discussion & Analysis	12
◆ Report on Corporate Governance	14
◆ Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate	23
◆ Auditors' Certificate on Corporate Governance	24
◆ Auditors' Report on Financial Statements	25
◆ Balance Sheet	28
◆ Profit & Loss Account	29
◆ Cash Flow Statement	30
◆ Schedules forming part of Balance Sheet & Profit & Loss Account	31
◆ Significant Accounting Policies & Notes to Accounts	36
◆ Statement Under Section 212	48
◆ Auditors' Report on Consolidated Financial Statements	49
◆ Consolidated Balance Sheet	50
◆ Consolidated Profit & Loss Account	51
◆ Consolidated Cash Flow Statement	52
◆ Schedules forming part of Consolidated Balance Sheet and Profit & Loss Account	53
◆ Significant Accounting Policies and Notes to Consolidated Accounts	57
◆ Accounts of Subsidiary Company	63



## NOTICE TO THE MEMBERS



NOTICE is hereby given that the 25th Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Wednesday, the 30th day of September, 2009 at Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.), at 10.00 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. **To consider and adopt the Audited Balance Sheet as at 31st March, 2009, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.**
2. **To declare final Dividend on equity shares for the year 2008-09.**
3. **To appoint a Director in place of Brig. H. S. Sidhu (Retd.), who retires by rotation and being eligible offers himself for re-appointment.**
4. **To appoint a Director in place of Shri Gurmeet Singh Gill, who retires by rotation and being eligible offers himself for re-appointment.**
5. **To appoint Auditors and fix their remuneration.**

### SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to section 314 (1)(b) and other applicable provisions, if any, of the Companies Act 1956, consent of the Company be and is hereby accorded to the increase in the remuneration from Rs. 32,500/- to Rs. 40,000/- per month of Shri Angad Sandhu, Mechanical Engineer, with effect from 1st day of January, 2009, plus other perquisites and benefits as per the Rules of the Company.”

“RESOLVED FURTHER THAT the action of the Company for having made the payment of remuneration comprising salary and perquisites to Shri Angad Sandhu, w.e.f. 1st January, 2009, be and is hereby taken on record and ratified.”

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

“RESOLVED THAT pursuant to section 314 (1)(b) and other applicable provisions, if any, of the Companies Act 1956, consent of the Company be and is hereby accorded to the increase in the remuneration from Rs. 35,500/- to Rs. 43,000/- per month of Shri Kanav Anand, Assistant Manager (Marketing), with effect from 1st day of January, 2009, plus other perquisites and benefits as per the Rules of the Company.”

“RESOLVED FURTHER THAT the action of the Company for having made the payment of remuneration comprising salary and perquisites to Shri Kanav Anand, w.e.f. 1st January, 2009, be and is hereby taken on record and ratified.”

Place : New Delhi  
Date : August 28, 2009

By order of the Board  
For SHIVALIK BIMETAL CONTROLS LIMITED

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

-Sd-  
**N.S. GHUMMAN**  
MANAGING DIRECTOR



## **NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. A proxy shall not have any right to speak at the meeting and shall not vote except on a poll.
2. The instrument appointing the proxy to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting.
3. An Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of the special business to be transacted at the meeting is annexed hereto.
4. Disclosures pursuant to Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment at forthcoming Annual General Meeting are given in Annexure.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 26.09.2009 to 30.09.2009 (both days inclusive) for the purpose of Annual General Meeting.
6. Members are advised to send all the requests regarding electronic / physical 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 Head Office / Registered Office / RTA by quoting their Folio Number. Members must quote their Folio No. in all correspondence.

7. Members desirous of obtaining any information relating to accounts and operation 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.
8. All documents referred to in the accompanying notice and the explanatory statements are available at the Registered Office of the Company.
9. Members are requested to bring their Attendance Slip along with their copy of Annual report to the Meeting.



*Annexure to Notice*

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

**Item No. 6**

Shri Angad Sandhu, Mechanical Engineer of the Company, has been drawing remuneration of Rs. 32,500/- per month plus other perquisites w.e.f. 1st January, 2008. Now, in recognition of his dedicated hard work and contribution made, the consent of the Shareholders is sought for increase in remuneration payable / paid to Shri Angad Sandhu to the extent of Rs.40,000/- per month w.e.f. 1st January, 2009, in accordance with the prevailing norms of the industry.

Shri Angad Sandhu is a qualified B. Tech., in the stream of Mechanical Engineering from University of California USA. He has undertaken certain projects at University of California - Materials Department. Shri Angad Sandhu also attained metal alloy processing knowledge in bonding, rolling, stamping operations by working at the plant at Solan, Himachal Pradesh. Since he is son of Shri S. S. Sandhu, the Chairman and Whole-time Director of the Company and his remuneration exceeds the limits prescribed under section 314 of the Companies Act, 1956, approval of the shareholders at the forthcoming General Body Meeting is required. Shri Angad Sandhu with his exposure in various aspects of process Engineering and Automation has effectively contributed in improving the efficiency of the Manufacturing Plant in general and also in enhancing the customer relationship. His scope of work covers his full involvement in the mechanical engineering aspects of the Company at plant.

The proposed increase in the remuneration payable to Shri Angad Sandhu is commensurate with his professional qualification; training and experience gained, and is in line with industry standards prevalent in the Indian region. The Board recommends this resolution.

In view of the applicability of the provisions of section 314 of the Companies Act, 1956, the resolution is required to be passed as a Special Resolution.

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

**Item No. 7**

Shri Kanav Anand, Assistant Manager (Marketing) of the Company, has been drawing remuneration of Rs. 35,500/- per month plus other perquisites w.e.f. 1st January, 2008. Now, in recognition of his dedicated hard work and contribution made, the consent of the Shareholders is sought for increase in remuneration payable / paid to Shri Kanav Anand to the extent of Rs.43,000/- per month w.e.f. 1st January, 2009, in accordance with the prevailing norms of the industry.

Shri Kanav Anand has done B. Sc. (Hons.) in Business and Management Studies from the University of Bradford, UK and is associated with the Company from the year 2003. Since he is relative of Shri D. J. S. Sandhu, Deputy Managing Director of the Company and his remuneration exceeds the limits prescribed under section 314 of the Companies Act, 1956, approval of the shareholders at the forthcoming General Body Meeting is required. Shri Kanav Anand has developed good understanding in the field of marketing having an experience of more than 5 years in the field.

The remuneration proposed to be paid to Shri Kanav Anand is commensurate with his qualification; training experience gained, and is in line with industry standards prevalent in the Indian region. The Board recommends this resolution.

In view of the applicability of the provisions of section 314 of the Companies Act, 1956, the resolution is required to be passed as a Special Resolution.

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



**DISCLOSURE PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT WITH  
REGARD TO THE DIRECTORS SEEKING RE-APPOINTMENT AT  
THE FORTHCOMING ANNUAL GENERAL MEETING  
(REFER ITEM NO. 3 & 4 OF NOTICE)**

<b>Name of Director</b>	<b>Brief resume and nature of expertise in functional areas</b>	<b>List of Directorships/ Committees memberships as on 31st March 2009 in Other Companies</b>
Brig. H. S. Sidhu (Retd.)	Brig. H. S. Sidhu has retired from Indian Army after serving over 30 years. He was awarded Vishist Sewa Medal. He has vast Administrative and HRD experience to his credit.	<b>Nil</b>
Shri Gurmeet Singh Gill	Shri G. S. Gill is qualified MBA having business experience in various Commercial Areas.	<b>1</b>





## DIRECTORS' REPORT



Dear Members,

Your Directors are pleased to present the 25th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2009.

### SUMMARISED FINANCIAL RESULTS

	Year 2008-09 (Rs. in Lacs)	Year 2007-08 (Rs. in Lacs)
Sales & Other income	7,661.45	8,211.41
Operating Expenditure	6,776.09	7,046.28
<b>PBDIT</b>	<b>885.36</b>	<b>1,165.13</b>
Interest	319.06	294.71
Depreciation	157.21	159.96
<b>PBT</b>	<b>409.09</b>	<b>710.46</b>
<b>Provision for Taxes</b>	<b>8.39</b>	<b>24.72</b>
<b>PAT</b>	<b>400.70</b>	<b>685.74</b>
Balance brought forward from Previous Year	1,818.05	1,562.03
<b>Balance available for Appropriation</b>	<b>2,218.75</b>	<b>2,247.77</b>
<b>Appropriations:</b>		
Ist Interim Dividend	38.40	57.61
2nd Interim Dividend	-	48.00
Proposed Final Dividend	48.00	48.00
Tax on Dividends	14.69	26.11
General Reserve	250.00	250.00
Balance carried to Balance Sheet	1,867.66	1,818.05

### PERFORMANCE

Due to Global Recession, there has been a marginal decrease of 6.70 % in sales and other income during the FY 2008-09 as compared to FY 2007-08. Your Company has achieved sales and other income of Rs. 7,661.45 Lacs during the FY 2008-09 as compared to Rs. 8,211.41 Lacs during the FY 2007-08. The Company earned Profit before interest, depreciation and tax (PBDIT) of Rs. 885.36 Lacs during the year under review as compared to Rs. 1,165.13 Lacs during previous financial year. During the current financial year, Profit before tax (PBT) of your company is Rs. 409.09 Lacs as compared to Rs. 710.46 Lacs of the previous financial year.

Your Directors with their continuous efforts have been able to standoff the onslaught of recession to a great extent.

### DIVIDEND

Your directors are pleased to recommend for approval of the members a Final dividend of Re. 0.25 per share on 1,92,01,400 equity shares of Rs. 2/- each of the company for the financial year 2008-09. The Final Dividend, if declared as above, would involve an outflow of Rs. 48.00 Lacs towards Dividend and Rs. 8.16 Lacs towards dividend tax, resulting in a total outflow of Rs. 56.16 Lacs.

### TRANSFER TO RESERVES

The Company proposes to transfer Rs. 250.00 Lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 1,867.66 Lacs is proposed to be retained in the Profit & Loss Account.



## **EXPANSION / DIVERSIFICATION**

Your Company has been pursuing various expansion / diversification plans in the past. The brief details about the various expansion / diversification plans undertaken by your company are as under:

### **JOINT VENTURE WITH CHECON CORPORATION, USA**

As reported by your directors in the last reports, the Joint Venture Company named Checon Shivalik Contact Solutions Pvt. Ltd. (CSCS) in which your company has 50% share has achieved Sales and other income of Rs. 1,053.45 Lacs during the financial year 2008-09 as compared to Rs. 769.20 Lacs during the financial year 2007-08. The Company has procured and successfully Installed Brazing Line and Roll Forming Machine which facilitates the manufacture of the basic raw material required for the Co.'s products.

The Investment of your Company in Checon Shivalik Contact Solutions Pvt. Ltd. as on 31.03.09 stands at Rs. 118.95 Lacs. CSCS is exploring the possibility of further expansion.

### **JOINT VENTURE WITH ARCELORMITTAL STAINLESS & NICKEL ALLOYS, FRANCE (ARCELORMITTAL) AND DNICK HOLDING PLC. UK (DNICK)**

The Joint Venture Company named Innovative Clad Solutions Pvt. Ltd., (ICS) in which your Company has 33.33 % share was incorporated in the year ended March, 2008 for the setting up of a facility at SEZ, Pithampur, Indore (India) for the manufacturing of Clad metals. Construction work of factory building is at final stage of completion and 90 % of the equipment, plant & machinery has arrived at the site. The Trial Runs are expected to commence in September, 2009 and after successful completion of Trial Runs period, the Commercial Production is expected to commence by 1st week of October, 2009.

The Cost of Project stands at Rs. 4,512.00 Lacs and as part of Equity participation, the JV Partners have brought in the aggregate sum of Rs. 2,256.00 Lacs (i.e. Rs. 752.00 Lacs by each JV Partner). Accordingly, the Investment of your Company in Innovative Clad Solutions Pvt. Ltd. as on 31.03.09 stands at Rs. 752.00 Lacs.

ICS has introduced itself to major potential Customers across the globe and samples have been provided to some of them with assistance of JV Partners.

### **SUBSIDIARY COMPANY**

Shivalik Bimetal Engineers Pvt. Ltd. (SBEPL), the Wholly Owned Subsidiary of your Company earned a profit of Rs. 0.40 Lacs during the year under review. The Balance Sheet of SBEPL, as at 31st March, 2009, its Profit & Loss Account for the year ended on that day and the Reports of Directors and Auditors thereon and a statement in terms of Section 212 of the Companies Act, 1956 are attached to the Annual Accounts and form part of the Annual Report.

### **DEPOSITS**

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

### **ORGANISATION AND COLLEAGUE RELATIONS**

In the year under review, your company continued to lay emphasis on organization and colleague development and enjoyed cordial relations among all its employees. Colleague relations remained, as usual, healthy and satisfactory during the period. Yours Directors record their whole hearted appreciation for the devotion of duty and sincere efforts and contributions made by all at respective levels of operations of your Company during the year.

### **DIRECTORS**

Under Article 142 of the Articles of Association of the Company, Brig. H. S. Sidhu (Retd.) and Shri Gurmeet Singh Gill are to retire by rotation and being eligible offer themselves for re-appointment.



## **CORPORATE GOVERNANCE**

Your Company always endeavors to adhere to high standard of Corporate Governance and ensure its compliance in both spirit and law. As per the requirements under Clause 49 of the listing agreement with stock exchange, the Report on Corporate Governance together with Auditors' Certificate regarding Compliance of the SEBI Code of Corporate Governance is annexed herewith.

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. in the preparation of the annual accounts for the year 2008-09, the applicable accounting standards have been followed and there are no material departures;
2. appropriate accounting policies have been selected in consultation with the statutory auditors and applied them consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2009 and of the Profit of the Company for the year ended 31st March, 2009;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going-concern basis.

## **CONSOLIDATED FINANCIAL STATEMENTS**

As required under the Listing Agreements with the Stock Exchange, a Consolidated Financial Statement of the Company, its Subsidiary and Joint venture for the year ended 31st March, 2009, is annexed to the Annual Accounts and form part of the Annual Report. The Consolidated Financial Statement has been prepared in accordance with the Accounting Standards AS - 21 and 27 relating to Consolidated Financial Statements and Financial Reporting of Interests in Joint Venture, issued by The Institute of Chartered Accountants of India and shows the financial resources, assets, liabilities, Income, Profits and other details of the company, its subsidiary and its Joint venture after eliminating of minority interest, if any, as a single entry.

## **AUDITORS**

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

## **PARTICULARS OF EMPLOYEES**

Information as required under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended are given in an Annexure forming part of this report.

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

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

## **REQUEST TO THE MEMBERS**

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



- Inform our registrar/Depository Participants, if not already done earlier, for updating details of your Permanent Account Number (PAN). Non- submission of PAN is a cause of rejection especially by shareholders holding securities in physical form.
- 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.

## **ACKNOWLEDGEMENTS**

The Board of Directors sincerely expresses deep gratitude and acknowledge the co-operation and active support extended by our Bankers, i.e., Indian Bank, from time to time.

The Board also wishes to acknowledge the assistance and co-operation received from Standard Chartered Bank.

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

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

The Directors sincerely appreciate the high degree of professionalism, commitment and dedication shown by employees at all levels.

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

For and on behalf of the Board of Directors

-Sd-

S.S. SANDHU  
Chairman

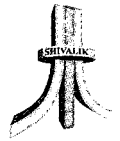
Place: New Delhi  
Date: August 28, 2009



**ANNEXURE TO DIRECTORS' REPORT:**

**INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

Sl. No.	Name	Designation (Nature of Duties)	Age (Years)	Gross Remuneration (Rs)	Qualifications	Experience (years)	Date of Appointment	Last Employment/ Designation Held	Last Employment Since
<b>Employed Throughout the Year</b>									
1.	N. S. Ghumman	Managing Director	59 Yrs	36,00,000	B.E. (Hons.)	37 Yrs	18.06.1984	Chief Engineer Tradax Gestion Sa Geneva, Switzerland	1975
2.	S. S. Sandhu	Whole Time Director & Chairman	55 Yrs	36,00,000	Graduate	37 Yrs	11.07.1984	None	-
3.	D. J. S. Sandhu	Dy. Managing Director	51 Yrs	30,00,000	B. Sc. (Hons.)	32 Yrs	05.04.1996	None	-



## ANNEXURE TO THE DIRECTORS' REPORT

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

### A. Conservation of Energy:

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

### B. Technology Absorption:

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

### RECOGNISED INHOUSE R & D UNIT

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

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

### Research and Development (R&D)

- i) New products developed through innovative approaches and Specific area in which R&D carried out by the Company:
  - Material for Bullet Jacket for ordinance factory
  - Copper-steel-Copper-Clad bonded for the replacement of Copper in Switchgear Industry.
  - Development of Bimetal Metering assembly used in Domestic Gas Distribution system.
  - Spiral Bimetals- part of Temperature Recording Device.
- ii) Benefits derived as a result of the above R&D:

With the continuous R&D activities at the plant, varied application have been developed which have been tested by the customers and are gradually finding acceptability in international market as well as domestic market.
- iii) Future plan of action:

The company will continue to pursue new areas for its products and developing new products using the existing Technology and R & D facility.
- iv) Expenditure on R& D:

a. Recurring	Rs. 15.18 Lacs
b. Capital	Rs. Nil
Total	Rs. 15.18 Lacs

c. Total R&D expenditure as a percentage of total turnovers: 0.20 %

### Technology absorption, adaptation and innovation

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



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

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

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

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

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

**C. Foreign Exchange Earning and Outgo:**

	Rs. in Lacs
Earnings in Foreign exchange	2,570.86
Expenditure in Foreign currency	3,026.19



### MANAGEMENT DISCUSSION AND ANALYSIS

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

#### 1. Industry Structure and Development:

As per the estimates of RBI, the overall economy registered a GDP growth rate of 6.5 % to 6.7 % during the year under review, however the exports are down. A series of events terminated in the virtual collapse of several venerable Financial Institutions in the USA and elsewhere. The effects were felt globally. The Index of Industrial Production in India was substantially lower at 2.4 % in this year compare to 9 % in the previous year. Almost all the sector of the economy witnessed recessionary trend. In particular, Manufacturing and Capital Goods sector were adversely impacted. Sound economic fundamentals and increasing performance by Country's infrastructure and core sectors were conducive for maintaining growth potentials.

#### 2. Opportunities & Threats:

In view of various macro economic factors like slower GDP and depressed Industry Production Growth Rates, the Industrial Scenario is expected to be challenging during 2009-2010 also.

Your Company, having an enviable reputation for quality and consistency, is hopeful of registering growth in sales during the current year. The Company is taking number of initiatives for the development of new products / applications. Your Company continues to make forays into new areas utilizing latest technology and resources for adding new products into various product ranges. The focus of your Company continues to be increasing productivity, keeping costs under control, implementing various cost reduction plans and world class quality controls.

#### 3. Outlook:

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

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

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

#### 4. Financial Performance:

**Equity Share Capital :** The Equity Share Capital of the Company as on 31st March, 2009 stood at Rs. 384.03 Lacs. There was no fresh issue of capital during the year.

**Debt Equity :** The debt equity ratio of the Company as on 31st March, 2009 is 0.07:1, which is good in the prevailing market conditions and is very good as compared to the peers in the industry.

**Interest and Financial Charges :** Interest and Financial Charges for the financial year 2008-2009 is Rs. 319.06 Lacs as compared to Rs. 294.71 Lacs in the previous year increase by 7.63 %

**Turnover :** The Company's turnover (Net of Excise) has decreased from Rs. 7,238.64 Lacs to Rs. 7,020.44 Lacs, decrease of 3.00 % over the previous year.





**Net Profit :** Net profit available for appropriation for the year 2008-2009 stood at Rs. 400.69 Lacs as compared to Rs. 685.74 Lacs in the previous year, decrease by 41.57 %.

**Dividend :** The Company had declared an Interim Dividend of Re. 0.20 (10.00 %) per equity share. The total payout on account of Interim Dividend including corporate dividend tax aggregate to Rs. 44.93 Lacs.

The Company has proposed a Final Dividend of Re. 0.25 (12.50 %) per equity share. The total payout on account of Final Dividend including corporate dividend tax aggregate to Rs. 56.16 Lacs.

**Earnings Per Share (EPS) :** The Company's Earnings Per Share (EPS) during the current year is Rs. 2.09 (Rs. 3.57 in the previous year).

The profitability of the Company was affected due to adverse Foreign Exchange rate fluctuations besides other economic constraints.

5. **Risks & Concerns:**

The Company is exposed to external risks such as overall demand, fluctuation in the market segment in which it operates, the relative higher exposure to Foreign Exchange fluctuations because of substantial imports and exports. The Company has adequately guarded itself by taking appropriate steps against the potential risks.

6. **Internal Control System and their Adequacy:**

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

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

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

7. **Occupational Health & Safety:**

Occupational Health & Safety has been our focus. Safety awareness has been strengthened; assessment of individual machines has helped to identify areas where we can improve. Our aim is to remove unsafe situations and practices by any/all pre-emptive steps required. For the safe return of the employees to their homes all precautions are taken to avoid accidents.



## ANNEXURE- B

### REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTOR'S REPORT FOR THE YEAR 2008-09

The underlying principles of Corporate Governance are integrity, fairness, equity, ethics, transparency, accountability and commitment to values. It is the set of policies, processes and practices by which a company conducts its affairs in pursuit of its business goals. It encompasses everyone connected or affected by the activities of the corporation like senior management, employees and all other stake holders which include shareholders, lenders, suppliers and customers. In fact good governance practices or their lack can have an impact on even the environment and community at large.

Good governance practices stem from the culture and mindset of the organization. During the last couple of years, governance processes and systems have been streamlined and strengthened. Complying with the statutory requirements, effective governance system and practices, transparency, disclosures, internal controls at work place have been institutionalized.

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

The Company's philosophy of Corporate Governance is continuously reviewed and adapted adequately to meet and reflect the same with a global outlook with regard to Corporate Governing Practices. It envisages attainment of the highest levels of transparency, accountability and equity in all facets of Company's operations, and in all its interactions with its stakeholders. The company perceives good Corporate Governance practices as a key driver of sustainable corporate growth and long-term shareholder value creation. The company is committed to uphold highest principles of corporate governance consistent with the company's goals.

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

#### 2. Board of Directors

##### 2.1 Composition

The total strength of the Board as on 31st March, 2009, was ten Directors as detailed herein below:

S. No.	Name	Designation	Category (Whole time/ Non-Executive/ Independent)
1.	Shri S. S. Sandhu	Chairman	Whole time
2.	Shri N. S. Ghumman	Managing Director	Whole time
3.	Shri D. J. S. Sandhu	Dy. Managing Director	Whole time
4.	Shri S. C. Verma	Director	Independent
5.	Shri G. S. Gill	Director	Independent
6.	Big. H. S. Sidhu (Retd)	Director	Independent
7.	Shri Anil K. Sud	Director	Independent
8.	Shri Rohit Kapur	Director	Independent
9.	Shri Nirmaljeet Singh Gill	Director	Independent
10.	Shri G. C. Prabhu	Director	Independent

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

#### 3. Board Meetings, its Committee Meetings and Procedures

##### 3.1 Board Meetings

During the financial year 2008-2009, seven Board Meetings were held on 29th May, 2008, 6th June, 2008, 27th June, 2008, 31st July, 2008, 2nd September, 2008, 24th October, 2008 and 30th January, 2009.



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

Name of Director	No. of Board Meetings Attended out of 7 Meetings held during the year 2008-09	Last AGM held on 30th September, 2008 (Attended - Yes / No)
<b>Whole time Directors</b>		
Shri S. S. Sandhu	7	N
Shri N. S. Ghumman	6	Y
Shri D. J. S. Sandhu	4	N
<b>Independent / Non-Executive Directors</b>		
Brig. H. S. Sidhu (Retd.)	7	Y
Shri S. C. Verma	5	N
Shri G. S. Gill	2	N
Shri Anil K. Sud	3	N
Shri Rohit Kapur	3	N
Shri Nirmaljeet Singh Gill	2	N
Shri G. C. Prabhu	NIL	N

### 4. Number of Directorship on the Board of Other Companies as on 31.03.2009

The details of Directorship of other companies excluding Private Limited Companies, foreign companies and section 25 Companies, Chairmanship and Committee Memberships held by the Directors as on 31st March, 2009, are given below:

Name of Director	No. of other Public Ltd. Companies in which Directorship/ Chairmanship is held	
	Directorship	Chairmanship
Shri S. S. Sandhu	2	Nil
Shri N. S. Ghumman	Nil	Nil
Shri D. J. S. Sandhu	1	Nil
Brig. H. S. Sidhu (Retd.)	Nil	Nil
Shri S. C. Verma	Nil	Nil
Shri G. S. Gill	Nil	Nil
Shri Anil K. Sud	Nil	Nil
Shri Rohit Kapur	Nil	Nil
Shri Nirmaljeet Singh Gill	Nil	Nil
Shri G. C. Prabhu	Nil	Nil

### 5. Details of Remuneration paid to Directors

#### 5.1 Remuneration paid to Whole-time Directors during the year-ended 31.03. 2009

S.No.	Name	Designation	Salaries & Allowances	Contribution to PF	Other Benefits	(In Rupees)
						Total
1.	Shri S. S. Sandhu	Chairman	36,00,000/-	4,32,000/-	NIL	40,32,000/-
2.	Shri N. S. Ghumman	Mg. Dir.	36,00,000/-	4,32,000/-	4,501/-	40,36,501/-
3.	Shri D. J. S. Sandhu	Dy. Mg. Dir	30,00,000/-	3,60,000/-	52,665/-	34,12,665/-



## 5.2 Sitting fee paid to Non-Executive / Independent Directors during the year-ended 31.03. 2009

(In Rupees)			
S. No	Name	Designation	Sitting Fees
1.	Shri S. C. Verma	Director	10,000/-
2.	Brig. H. S. Sidhu (Retd)	Director	14,000/-
3.	Shri Anil K. Sud	Director	6,000/-
4.	Shri Rohit Kapur	Director	6,000/-
5.	Shri G. S. Gill	Director	4,000/-
6.	Shri Nirmaljeet Singh Gill	Director	4,000/-
7.	Shri G. C. Prabhu	Director	NIL

### 6. Board Committees

#### A. Standing Committees

The Company has the following standing committees of the Board:

##### (i) Audit Committee

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

In terms of provisions of Listing Agreement, the Board of Directors of the Company has constituted an Audit Committee comprising 3 independent non-executive directors viz., Shri S. C. Verma (having financial and accounting knowledge), Brig. H. S. Sidhu (Retd.) and Shri Anil K. Sud. The quorum of the Committee is two members. The Company Secretary is the Secretary of the Audit Committee. The constitution of Audit Committee also meets with the requirements under section 292A of the Companies Act, 1956.

##### Meetings and Attendance during the year

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

During the year under review, the Audit committee members of your company met at 4 meetings held on 26th June, 2008, 30th July, 2008, 23rd October, 2008 and 29th January, 2009.

Name	Number of meetings held during the Year	Number of meetings attended during the Year
Shri S. C. Verma	4	4
Brig. H. S. Sidhu (Retd.)	4	4
Shri Anil K. Sud	4	4

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

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

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

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

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

## (ii) Remuneration Committee

### Composition, Name of Chairman and Members

In terms of provisions of Listing Agreement, the Board of Directors of the Company has constituted a Remuneration Committee, comprising of 3 independent non-executive directors viz. Brig. H. S. Sidhu (Retd.), Chairman, Shri S. C. Verma and Shri Anil K. Sud. The quorum of the Committee is 2 members.

### Committee Members

S.No.	Name	Designation	Position in Committee
1.	Brig. H. S. Sidhu (Retd.)	Director	Chairman
2.	Shri S. C. Verma	Director	Member
3	Shri Anil K. Sud	Director	Member

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

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



## Decision & Voting Powers

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

## Tenure of the Committee

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

## Meetings and Attendance during the year

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

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

During the year under review, there was no meeting of Remuneration Committee.

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

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

The Board of the company has constituted a Shareholders' / Investors' Grievance Committee, comprising of Brig. H. S. Sidhu (Retd.) as Chairman, Shri N. S. Ghumman and Shri D. J. S. Sandhu in order to meet the requirements of Clause 49 of the Listing Agreement. The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of transfer services.

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

## Meetings and Attendance during the year

During the financial year under consideration, the Share Transfer Committee held 6 meetings on 15.04.2008, 30.04.2008, 15.07.2008, 26.09.2008, 15.12.2008 and 15.01.2009. All the members were present in the meeting.

## Details of queries / complaints received from Shareholders' / Investors during the year 2008-09

The details of shareholders grievance are as follows:

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



## 7. General Meetings

### 7.1 Annual General Meetings (AGM)

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

Year	2005-06	2006-07	2007-08
Date	5th September, 2006	20th August, 2007	30th September, 2008
Time	10.00 A.M.	10.00 A.M.	10.00 A.M.
Venue	Plot No. 16-18, New Electronics Complex, Chambaghat Distt. Solan (H.P.)	Plot No. 16-18, New Electronics Complex, Chambaghat Distt. Solan (H.P.)	Plot No. 16-18, New Electronics Complex, Chambaghat Distt. Solan (H.P.)

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

During the year, no extra-ordinary general meeting was held.

## 8. Disclosures

- Details of transactions with related parties has been reported separately in Note 11 of Schedule M attached with the financial statement for the year ended 31st March, 2009, in accordance with the requirements of Accounting Standard 18 – 'Related Party Disclosures'.
- No penalties or strictures have been imposed on the Company by Stock Exchange, SEBI and statutory authority on any matter relating to capital markets during the last three years.
- The Company had not made any transactions or pecuniary relationships with the non-executive directors and / or their relatives, promoters, management during the year under review that may have potential conflict with the interests of the company.

## 9. Means of Communications

The company's quarterly, half yearly and annual results are available on SEBI website at the address <http://www.sebiedifar.nic.in> or <http://www.corpfilings.co.in>. The company also has its website [www.shivalikbimetals.com](http://www.shivalikbimetals.com). The financial results are generally published in Financial Express and Dainik Tribune (Hindi) News Papers in terms of Listing Agreement. The Company also have exclusive e-mail ID i.e. [investor@shivalikbimetals.com](mailto:investor@shivalikbimetals.com) for investor's to contact the company in case of any information and grievances.

## 10. (CEO) and (CFO) Certification

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

## 11. General Shareholders Information

### 11.1 Annual General Meeting (AGM)

<b>Date &amp; Time</b>	30.09.2009 at 10.00 a.m.
<b>Venue</b>	Regd. Office Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)

### 11.2 Financial Calendar

First quarter	: Latest by end of July, 2009
Second /half-yearly	: Latest by end of October, 2009
Third quarter	: Latest by end of January, 2010
(Audited) Annual Results	: Latest by end of June, 2010
Annual General Meeting	: Latest by end of September, 2010



- 11.3 Date of Book Closure** : 26.09.2009 to 30.09.2009 (Both days inclusive)
- 11.4 Dividend payment date** : Final dividend if declared shall be paid/  
credited on or after 30th September, 2009.
- 11.5 Listing on stock Exchange** : Bombay Stock Exchange Limited, Mumbai (BSE)
- 11.6 (i) Stock Code** : at BSE 513097
- (ii) Demat ISIN No. in NSDL and CDSL for equity shares** : ISIN No.: INE 386D01027

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

**Share Price Movement at BSE**

Month	(Rs. Per Share)		Month	(Rs. Per Share)	
	High	Low		High	Low
April, 2008	25.50	19.55	Oct., 2008	16.45	9.00
May, 2008	24.10	20.10	Nov., 2008	12.50	9.50
June, 2008	21.70	16.80	Dec., 2008	11.70	9.65
July, 2008	21.00	14.50	Jan., 2009	11.80	9.50
Aug., 2008	19.65	16.60	Feb., 2009	10.70	9.30
Sep., 2008	18.25	13.05	Mar., 2009	10.20	8.20

**11.8 Share Transfer System**

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

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

**M/s MAS Services Ltd.**  
T - 34, IInd Floor,  
Okhla Industrial Area, Phase - II,  
New Delhi-110020,  
Tel No.: (91) (11) 26387281, 26387282  
Fax: (91) (11) 26387384  
Email: [info@masserv.com](mailto:info@masserv.com)

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

**11.9 Dematerialisation of shares**

Over 93% of the Company's paid-up equity share capital has been dematerialised upto 31st March 2009. Trading in equity shares of the Company is permitted only in dematerialised form as per notification issued by the Securities and Exchange Board of India (SEBI).

A qualified Practicing Company Secretary carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total



issued / paid-up capital was in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Secretarial Audit Report for reconciliation of the share capital of the Company obtained from Practicing Company Secretary has been submitted to Stock Exchange within stipulated time.

#### 11.10 Shareholding Pattern as on 31st March, 2009

Category	No. of Shares held	% of total shareholding
Foreign Promoters	-	-
Banks	1,000	0.01 %
Financial Institutions	-	-
Mutual Funds	-	-
Domestic Companies	81,91,181	42.66 %
Non-Domestic Companies	-	-
Non-Resident Indians	15,298	0.08 %
Foreign Institutional Investors	-	-
Directors / Relatives of Directors	39,83,000	20.74 %
Individuals / Others	70,10,921	36.51 %
<b>Total</b>	<b>1,92,01,400</b>	<b>100.00 %</b>

#### 11.11 Outstanding GDR / Warrants and convertible instruments

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

#### 11.12 Major Plant / Unit Location(s)

##### Plant Location

Plot No. 16-18,  
New Electronics Complex,  
Chambaghat,  
Disst. Solan (H.P.)

##### Head Office

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

#### 11.13 Address for correspondence

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

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

#### 11.14 Electronic Clearing Service (ECS)

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

### 11.15 Action required regarding Unclaimed Dividends

Pursuant to Section 205A and 205C of the Act, all unclaimed/unpaid dividend for the years prior to and including a sum of Rs. 94,875/- for the financial year 2000-2001 and Rs. 89,089/- for the financial year 2001-2002 have been transferred to General Revenue Account of the Central Government/the Investor Education and Protection Fund established by the Central Government (IEPF), as applicable.

The Dividend for the undernoted years, if unclaimed for 7 years, will be transferred by the Company to IEPF in accordance with the schedule given below. Attention is drawn that the unclaimed dividend for the financial year 2002-2003 will be due for transfer to IEPF later this year. Communication has been sent by the Company to the concerned Shareholders advising them to lodge their claims with respect to unclaimed dividend.

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

Financial Year	Date of Declaration	Proposed Date for transfer to IEPF*
2002-03	September 24, 2003	November 01, 2010
2003-04 (Interim)	January 30, 2004	March 06, 2011
2003-04 (Final)	July 21, 2004	August 26, 2011
2004-05 (Interim)	January 25, 2005	March 02, 2012
2004-05 (Final)	September 30, 2005	November 05, 2012
2005-06 (Interim)	February 04, 2006	March 12, 2013
2005-06 (Final)	September 05, 2006	October 11, 2013
2006-07 (Ist Interim)	January 30, 2007	March 07, 2014
2006-07 (IInd Interim)	April 21, 2007	May 27, 2014
2006-07 (Final)	August 20, 2007	September 25, 2014
2007-2008 (Ist Interim)	January 30, 2008	March 6, 2015
2007-2008 (IInd Interim)	June 6, 2008	July 11, 2015
2007-2008 (Final)	September 30, 2008	November 5, 2015

\*Indicative dates and actual dates may vary.

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

- **Nomination facility :**

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

- **Bank Details :**

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

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

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



## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, the undersigned, in our respective capacities as Chief Executive Officer 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 31.03.2009 and based on our knowledge and belief, we state that :
- i. these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.

We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the code of conduct as adopted by the company.

- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d) We have indicated, based on our most recent evaluation, wherever applicable to the Auditors and Audit committee:
- i. Significant changes, if any, in the internal control over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

-Sd-

(N.S. Ghumman)  
Managing Director

-Sd-

(S. S. Sandhu)  
Chairman

Place : New Delhi  
Date : August 28, 2009.



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Shareholders of,  
**SHIVALIK BIMETAL CONTROLS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **SHIVALIK BIMETAL CONTROLS LTD.** for the year ended 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with The Stock Exchange, Mumbai (BSE).

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

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

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

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

-Sd-

Place: New Delhi  
Date: August 28, 2009

**SURESH MALIK**  
Proprietor  
Membership No. 080493



## AUDITORS' REPORT



To,

The Members of

### SHIVALIK BIMETAL CONTROLS LIMITED

1. We have audited the attached Balance Sheet of **Shivalik Bimetal Controls Limited** as at 31st March, 2009, the Profit and Loss Account and also the Cash flow statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. in our opinion, the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. on the basis of the written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of The Companies Act, 1956;
  - vi. in our opinion and to the best of our information and according to the explanations given to us, the said account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
    - b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
    - c) in the case of Cash flow statement, of the Cash flows for the year ended on that date.

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

-Sd-

Place: New Delhi  
Dated: August 28, 2009

**SURESH MALIK**  
Proprietor  
M. No. 080493



## **Annexure to the Auditors' Report**

(Referred to in paragraph 3 of our report of even date on the Statements of Account of Shivalik Bimetal Controls Limited, as at and for the year ended 31st March 2009)

- (i) a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. According to information and explanations given to us, the assets have been physically verified by the management during the year as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. There was no disposal of a substantial part of fixed assets.
- (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 neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regards to the purchase of inventory, fixed assets and sale of goods.
- (v) a. The particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register maintained under that section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the period have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from public during the year under the provisions of section 58A of the Companies Act 1956.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act 1956.
- (ix) a. According to the records of the Company and information and explanation given to us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it, with the appropriate authorities.
- b. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income tax, wealth tax, sales tax, customs duty and excise duty which have remained outstanding as at 31st March 2009 for a period of more than six months from the date they became payable.
- c. According to the information and explanation given to us, there are no dues outstanding of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty or Cess on account of any dispute.



- (x) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the bank.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and the advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit Fund or *Nidhi*/ mutual benefit fund / society.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) The company has furnished Corporate Guarantee to the tune of 121/- lacs for loans taken by the Joint Venture Company (in which company holds 50% of issued share capital) from bank. The terms and conditions whereof are not prejudicial to the interests of the company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we report that the no funds raised on short term basis have been used for long-term investment by the company.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in register maintained under Section 301 of the Companies Act, 1956.
- (xix) Since the debentures have not been issued during the year, question of creating securities does not arise.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year ended 31st March 2009.

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

-Sd-

Place: New Delhi  
Dated: August 28, 2009

**SURESH MALIK**  
Proprietor  
M. No. 080493



# SHIVALIK BIMETAL CONTROLS LIMITED

## Balance Sheet as at 31st March, 2009



	Schedule	Amount Rupees	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Share Capital	A		38,402,800	38,402,800
Reserves & Surplus	B		358,185,955	328,225,575
			<u>396,588,755</u>	<u>366,628,375</u>
<b>Loan Funds</b>				
Secured Loans	C		241,525,807	173,082,731
Unsecured Loans			3,509,852	4,155,672
			<u>245,035,659</u>	<u>177,238,403</u>
Deferred Tax Liability	D		21,096,500	22,242,000
TOTAL.....			<u>662,720,914</u>	<u>566,108,778</u>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	E	288,090,091		284,704,545
Less : Depreciation		103,356,458		93,728,496
Net Block			<u>184,733,633</u>	<u>190,976,049</u>
Capital Work-in- Progress			437,754	-
Machinery in Transit			598,000	-
Advances for Capital Expenditure			1,686,163	322,298
			<u>187,455,550</u>	<u>191,298,347</u>
INVESTMENTS	F		87,845,600	14,445,600
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
Inventories	G	217,095,589		227,186,195
Sundry Debtors		222,357,069		244,689,287
Cash and Bank Balances		9,581,804		19,657,216
Other Current Assets		992,575		689,175
Loans & Advances		89,976,067		84,384,446
			<u>540,003,104</u>	<u>576,606,318</u>
Less : <b>Current Liabilities &amp; Provisions</b>	H			
Current Liabilities		116,054,887		177,769,864
Provisions		36,528,453		38,471,623
		<u>152,583,340</u>		<u>216,241,487</u>
<b>Net Current Assets</b>			<u>387,419,764</u>	<u>360,364,831</u>
TOTAL.....			<u>662,720,914</u>	<u>566,108,778</u>

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

As per our report of even date

**For MALIK S & CO.**

Chartered Accountants

For and on behalf of the Board

Sd/-  
SURESH MALIK  
Proprietor  
M.No. 080493

Sd/-  
(K.S. NEGI)  
General Manager  
(Fin. & Admn. )

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

Sd/-  
(S.S. SANDHU )  
Chairman

Place : New Delhi  
Dated : August 28, 2009





**SHIVALIK BIMETAL CONTROLS LIMITED**  
**Profit and Loss Account for the Year ended on 31st March, 2009**



Schedule	Year ended on 31st March 2009 Rupees	Year ended on 31st March 2008 Rupees
<b>INCOME</b>		
Sales	759,080,812	801,207,627
Less : Excise Duty	57,035,837	77,343,141
Sales ( Net )	702,044,975	723,864,486
Job Work	152,767	181,426
Other Income	6,910,710	19,752,319
<b>Sales &amp; Other Income</b>	<b>709,108,452</b>	<b>743,798,231</b>
<b>EXPENDITURE</b>		
(Increase)/Decrease in Stock	6,865,661	(13,910,095)
Cost of Raw Material Consumed	407,239,176	401,258,534
Manufacturing & Other Expenses	206,468,100	239,936,698
Interest & Finance Charges	31,906,272	29,471,334
Depreciation	15,720,719	15,995,631
	<b>668,199,928</b>	<b>672,752,102</b>
<b>Profit before tax</b>	<b>40,908,524</b>	<b>71,046,129</b>
Provision for Taxation		
- Current Tax	4,465,000	7,915,000
- MAT Credit Entitlement	(3,901,000)	(7,610,000)
- Deferred Tax	(1,145,500)	242,000
- Fringe Benefit Tax	1,543,000	1,925,000
Taxation adjustments of previous years ( Net )	(122,462)	-
<b>Profit after Tax</b>	<b>40,069,486</b>	<b>68,574,129</b>
Profit Brought Forward	181,805,241	156,202,855
<b>Amount Available for Appropriations</b>	<b>221,874,727</b>	<b>224,776,984</b>
<b>APPROPRIATIONS</b>		
Ist Interim Dividend	3,840,280	5,760,420
IInd Interim Dividend	-	4,800,350
Tax on Interim Dividend	652,656	1,794,803
Proposed Final Dividend	4,800,350	4,800,350
Tax on Proposed Final Dividend	815,820	815,820
Transfer to General Reserve	25,000,000	25,000,000
Balance carried to Balance Sheet	186,765,621	181,805,241
	<b>221,874,727</b>	<b>224,776,984</b>
<b>Basic and Diluted Earnings per share( Rs.)</b>	<b>2.09</b>	<b>3.57</b>

Significant Accounting Policies and Notes to Accounts " Schedule M"  
The Schedules referred to herein form an integral part of Profit & Loss Account.

As per our report of even date

**For MALIK S & CO.**

Chartered Accountants

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

Sd/-  
(K.S.NEGI)  
General Manager  
( Fin. & Admn. )

For and on behalf of the Board

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

Sd/-  
(S.S. SANDHU )  
Chairman

Place : New Delhi  
Dated : August 28, 2009.



# SHIVALIK BIMETAL CONTROLS LIMITED

## Cash Flow Statement for the year ended 31st March, 2009



	Year ended on 31st March, 2009 Rupees	Year ended on 31st March, 2008 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax and extraordinary items</b>	<b>40,908,524</b>	71,046,129
Adjustments for:		
Depreciation	<b>15,720,719</b>	15,995,631
Interest Paid	<b>31,906,272</b>	29,471,334
Interest Received	<b>(4,372,350)</b>	(3,958,778)
Amount Written Back	<b>(90,752)</b>	(15,292,844)
Debtors/ Unrecoverable Amount Written Off	<b>105,118</b>	21,967,406
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss	<b>(54,333)</b>	(56,539)
(Profit)/Loss on sale of Fixed Asset	<b>4,598,984</b>	2,174,621
<b>Operating Profit before Working Capital changes</b>	<b>88,722,182</b>	121,346,959
Adjustment for :		
Trade and other receivables	<b>22,227,100</b>	1,448,341
Inventories	<b>10,090,606</b>	(2,313,449)
Trade Payables	<b>(61,543,776)</b>	21,323,070
Loans and Advances	<b>(4,730,015)</b>	(14,408,928)
Other current Assets	<b>(303,400)</b>	(489,700)
<b>Cash generated from operations</b>	<b>54,462,697</b>	126,906,294
Direct taxes paid	<b>(3,738,144)</b>	(12,595,272)
Cash flow from Ordinary items	<b>50,724,553</b>	114,311,022
Extraordinary Items	-	-
<b>Net Cash flow from operating activities</b>	<b>50,724,553</b>	114,311,022
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(27,747,370)</b>	(14,027,554)
Sale of Fixed Assets	<b>13,670,083</b>	634,822
Capital Work In Progress	<b>(437,754)</b>	458,630
Capital Advance	<b>(1,961,865)</b>	2,702
Interest Received	<b>4,372,350</b>	3,958,778
Long Term Investment	<b>(73,400,000)</b>	(4,914,000)
<b>Net cash ( used ) in / from investing activities</b>	<b>(85,504,556)</b>	(13,886,622)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Bank Borrowings	<b>82,366,929</b>	(18,653,771)
Term Loan	-	-
Vehicle Loan	<b>942,909</b>	(110,854)
Term Loan Paid	<b>(14,866,762)</b>	(16,680,794)
Unsecured Loan	<b>(645,820)</b>	(7,151,490)
Interest Paid	<b>(31,906,272)</b>	(29,471,334)
Dividend including Dividend Tax paid	<b>(11,240,724)</b>	(17,544,981)
Central Capital Investment Subsidy	-	-
<b>Net Cash (used)in from financing activities</b>	<b>24,650,259</b>	(89,613,224)
<b>NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS</b>	<b>(10,129,744)</b>	10,811,176
Cash and Cash equivalents as on 1st April,2008 (Opening Balance)	<b>19,657,216</b>	8,789,501
Exchange Difference on translation of foreign currency cash & cash equivalent	<b>54,333</b>	56,539
Cash and Cash equivalents as on 31st March 2009 ( Closing Balance)	<b>9,581,805</b>	19,657,216
Cash and Cash equivalents as on 31st March 2009 as per book	<b>9,581,805</b>	19,657,216

As per our report of even date

**For MALIK S & CO.**

Chartered Accountants

Sd/-  
SURESH MALIK  
Proprietor  
M.No. 080493

Sd/-  
( K.S. NEGI )  
General Manager  
( Fin. & Admn. )

For and on behalf of the Board

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

Sd/-  
( S.S. SANDHU )  
Chairman

Place : New Delhi

Dated : August 28, 2009



# SHIVALIK BIMETAL CONTROLS LIMITED

Schedules Forming Part of the Balance Sheet  
as at and Profit & Loss Account for the year ended 31st March, 2009



	Amount Rupees	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
<b>SCHEDULE 'A' - SHARE CAPITAL</b>			
<b>(a) AUTHORISED</b>			
2,50,00,000 Equity Shares (Previous year 2,50,00,000 Equity Shares) of Rs. 2/- each		<u>50,000,000</u>	<u>50,000,000</u>
<b>(b) ISSUED, SUBSCRIBED &amp; PAID-UP</b>			
1,92,01,400 Equity Shares ( Previous year 1,92,01,400 Equity Shares ) of Rs 2/- each , Fully paid-up		<u>38,402,800</u>	<u>38,402,800</u>
<b>SCHEDULE 'B' - RESERVES AND SURPLUS</b>			
<b>(a) Capital Reserves</b>			
		<b>6,420,334</b>	6,420,334
<b>(b) General Reserve</b>			
Balance as per last year:	<b>140,000,000</b>		115,000,000
Add: Transferred from Profit & Loss Account	<u>25,000,000</u>		<u>25,000,000</u>
		<b>165,000,000</b>	140,000,000
<b>(c) Profit &amp; Loss Account</b>			
Balance carried forward		<u>186,765,621</u>	181,805,241
		<u>358,185,955</u>	<u>328,225,575</u>
<b>SCHEDULE 'C' - SECURED LOANS</b>			
<b>FROM BANKS</b>			
(Secured by hypothecation of stocks, movable properties and Book Debts, both present and future And Equitable mortgage of company's Factory Land and Building, situated at Chambaghat, Solan, H.P.)			
Cash Credit / Working Capital Loans		<b>205,234,944</b>	122,868,015
Machinery Term Loan (Amount repayable within one year Rs. 96.34 lacs, Previous year Rs.147.11 lacs)		<b>26,515,499</b>	41,382,261
		<u>231,750,443</u>	<u>164,250,276</u>
<b>FROM OTHERS</b>			
Vehicles Loans (Amount repayable within one year Rs.48.06 lacs, Previous year Rs. 38.13 lacs)		<b>9,775,364</b>	8,832,455
		<u>241,525,807</u>	<u>173,082,731</u>
<b>SCHEDULE 'D' - DEFERRED TAX LIABILITY (NET)</b>			
<b>Deferred Tax Liabilities</b>			
Depreciation		<b>22,242,000</b>	22,000,000
		-	856,018
		<u>22,242,000</u>	<u>22,856,018</u>
<b>Less : Deferred Tax Assets</b>			
Depreciation		<b>746,268</b>	-
Others		<b>399,232</b>	614,018
		<u>1,145,500</u>	<u>614,018</u>
		<u>21,096,500</u>	<u>22,242,000</u>

**SCHEDULE "E" FIXED ASSETS**



Particulars	COST				DEPRECIATION				NET BLOCK	
	As at 01.04.08	Additions	Sale/Transfer during the year	As at 31.03.09	UPTO 31.03.08	FOR 2008-09	ADJUST- MENTS	UPTO 31.03.09	AS AT 31.03.09	AS AT 31.03.08
1. Land (Leasehold)	366,923	-	-	<b>366,923</b>	-	-	-	-	<b>366,923</b>	366,923
2. Site Development	1,296,421	-	-	<b>1,296,421</b>	898,697	43,300	-	<b>941,997</b>	<b>354,424</b>	397,724
3. Building	30,336,084	-	-	<b>30,336,084</b>	7,466,013	1,013,226	-	<b>8,479,239</b>	<b>21,856,845</b>	22,870,071
4. Plant & Machinery	191,750,559	3,038,997	38,500	<b>194,751,056</b>	66,357,040	9,561,216	17,410	<b>75,900,846</b>	<b>118,850,210</b>	125,393,519
5. Furniture & Fixtures	10,294,448	1,163,606	-	<b>11,458,054</b>	2,588,860	713,902	-	<b>3,302,761</b>	<b>8,155,293</b>	7,705,588
6. Vehicles	38,694,846	11,382,643	13,304,492	<b>36,772,997</b>	10,578,724	3,440,742	6,071,098	<b>7,948,368</b>	<b>28,824,629</b>	28,116,122
7. Office Equipment & Appliances	11,965,264	1,147,542	4,250	<b>13,108,556</b>	5,839,162	948,333	4,250	<b>6,783,247</b>	<b>6,325,309</b>	6,126,102
<b>TOTAL (Rs.)</b>	<b>284,704,545</b>	<b>16,732,788</b>	<b>13,347,242</b>	<b>288,090,091</b>	<b>93,728,496</b>	<b>15,720,719</b>	<b>6,092,758</b>	<b>103,356,458</b>	<b>184,733,633</b>	<b>190,976,049</b>
Previous Year	274,898,801	14,027,554	4,221,810	284,704,545	79,145,232	15,995,631	1,412,367	93,728,496	190,976,049	195,753,569
Capital Work-In-Progress									437,754	-
Advance for Capital Expenditure									1,686,163	322,298
Machinery in Transit									598,000	-
									<u>2,721,917</u>	<u>322,298</u>
									<b>187,455,550</b>	<b>191,298,347</b>





	Amount Rupees.	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
<b>SCHEDULE 'F' - INVESTMENTS</b>			
<b>LONG TERM UNQUOTED SHARES</b>			
<b>Investment in Subsidiary Company</b>			
10,000 Equity Shares (Previous year 10,000 Equity Shares) of Shivalik Bimetal Engineers Pvt. Ltd. of Rs.10/-each		<b>100,000</b>	100,000
Share Application Money		<b>450,000</b>	450,000
<b>Investment in Joint Venture Company</b>			
6,85,900 Equity Shares (Previous year 6,85,900 Equity Shares) of Checon Shivalik Contact Solutions Pvt. Ltd. of Rs.10/-each		<b>11,895,600</b>	11,895,600
50,70,000 Equity Shares (Previous year 2,00,000 Equity Shares) of Innovative Clad Solutions Pvt. Ltd. of Rs.10/-each,		<b>50,700,000</b>	2,000,000
Share Application Money		<b>24,500,000</b>	-
<b>Other Investments</b>			
20,000 Equity Shares (Previous year- NIL) of SSWML of Rs.10/-each		<b>200,000</b>	-
		<b>87,845,600</b>	14,445,600
<b>SCHEDULE 'G' - CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>CURRENT ASSETS</b>			
<b>INVENTORIES</b> (as taken, valued and certified by Management)			
Stores & Spares	<b>3,698,513</b>		3,771,592
Packing Material	<b>318,469</b>		216,888
Tools & Dies	<b>194,952</b>		512,255
Finished Goods	<b>10,983,899</b>		13,626,837
Finished Goods lying in warehouse at Brazil	<b>2,999,662</b>		770,344
Work-in-progress	<b>39,960,216</b>		45,757,056
Semi-Finished goods	<b>3,703,160</b>		5,175,059
Raw Materials	<b>68,543,694</b>		73,031,148
Scrap	<b>180,264</b>		282,123
Stock of Stationery	<b>33,668</b>		35,232
Material in Transit	<b>17,614,553</b>		35,066,800
Stock with Bonded Warehouse	<b>68,864,539</b>		48,940,861
		<b>217,095,589</b>	227,186,195
<b>SUNDRY DEBTORS</b>			
(Unsecured - Considered Good)			
a) Debts outstanding - exceeding Six Months	<b>48,262,503</b>		37,505,852
b) Other Debts	<b>174,094,566</b>		207,183,435
		<b>222,357,069</b>	244,689,287
<b>CASH AND BANK BALANCES</b>			
Cash/Cheques-in-hand	<b>300,964</b>		1,404,737
<b>Balance with Scheduled Banks</b>			
Current Accounts	<b>7,724,716</b>		5,341,890
Fixed Deposit held as Margin Money	<b>1,556,125</b>		12,910,589
		<b>9,581,804</b>	19,657,216



	Amount Rupees	Year ended on 31st March 2009 Rupees	Year ended on 31st March 2008 Rupees
<b>OTHER CURRENT ASSETS</b>			
Gold Coins		992,575	689,175
<b>LOANS AND ADVANCES</b> (Unsecured - Considered Good)			
Advances recoverable in cash or in kind or for value to be received	16,589,319		20,553,028
Excise Duty	19,865,167		15,052,143
Security Deposits	1,385,064		1,405,364
MAT Credit Entitlement	24,211,000		20,310,000
Advance Income Tax /TDS	27,925,517		27,063,911
		<u>89,976,067</u>	<u>84,384,446</u>
		<u>540,003,104</u>	<u>576,606,319</u>
<b>SCHEDULE 'H' - CURRENT LIABILITIES AND PROVISIONS</b>			
<b>CURRENT LIABILITIES</b>			
<b>SUNDRY CREDITORS</b>			
Due to Micro, Small & Medium Enterprises	212,603		121,237
Others Creditors	100,814,779	101,027,382	156,839,160
Other Liabilities		13,227,731	19,001,309
Unclaimed Dividend		1,799,774	1,808,158
		<u>116,054,887</u>	<u>177,769,864</u>
<b>PROVISIONS</b>			
Ist Interim Dividend		3,840,280	-
IInd Interim Dividend		-	4,800,350
Tax on Interim Dividend		652,656	815,820
Proposed Final Dividend		4,800,350	4,800,350
Tax on Proposed Final Dividend		815,820	815,820
Employee Benefits		1,071,347	999,283
Taxation		25,348,000	26,240,000
		<u>36,528,453</u>	<u>38,471,623</u>
		<u>152,583,340</u>	<u>216,241,487</u>
<b>SCHEDULE 'I' - OTHER INCOME</b>			
Interest (Tax Deducted at Source Rs 7,14,523/-, Previous year Rs. 5,02,600/-)		4,372,350	3,958,778
Miscellaneous Income		475,659	200,697
Rent Received (Tax Deducted at Source Rs 69,811/-, Previous year Rs.74,980/-)		300,000	300,000
Premium / Discount on Forward Contract		1,671,949	-
Liabilities no more payable Written Back		90,752	15,292,844
		<u>6,910,710</u>	<u>19,752,319</u>
<b>SCHEDULE 'J' - MOVEMENT IN STOCK</b>			
<b>Opening Stock</b>			
Finished Goods		14,397,181	18,292,128
Work in Progress		45,757,056	29,848,088
Semi-Finished Goods		5,175,059	3,990,387
Scrap		282,123	215,792
		<u>65,611,419</u>	<u>52,346,395</u>



	Amount Rupees	Year ended on 31st March 2009 Rupees	Year ended on 31st March 2008 Rupees
<b>Closing Stock</b>			
Finished Goods		<b>13,983,561</b>	14,397,181
Work in Progress		<b>39,960,216</b>	45,757,056
Semi-Finished Goods		<b>3,703,160</b>	5,175,059
Scrap		<b>180,264</b>	282,123
		<b>57,827,201</b>	65,611,419
Add/(Less): Excise duty variation on opening/closing stock		<b>(918,557)</b>	(645,071)
(Increase)/Decrease		<b>6,865,661</b>	(13,910,095)

#### **SCHEDULE 'K' - MANUFACTURING & OTHER EXPENSES**

Stores & Spares Consumed	<b>10,610,364</b>	11,947,775
Power & Fuel	<b>5,962,553</b>	5,622,568
Salaries , Wages & Bonus	<b>32,799,653</b>	27,155,844
Employee's Welfare and Other Amenities	<b>6,316,783</b>	4,685,044
Machinery Repairs	<b>7,066,129</b>	11,870,197
Building Repairs	<b>1,262,977</b>	4,055,523
Other Repairs	<b>6,260,813</b>	8,177,195
Processing Charges	<b>4,552,031</b>	15,131,683
Lease Charges	<b>6,000</b>	6,000
Research & Development	<b>1,517,660</b>	1,182,392
Insurance	<b>5,973,073</b>	6,310,483
Rent	<b>1,162,039</b>	1,111,336
Rates & Taxes	<b>489,270</b>	334,227
Managerial Remuneration	<b>11,525,166</b>	9,520,521
Travelling & Conveyance	<b>12,013,731</b>	15,855,432
Electricity and Water Charges	<b>966,885</b>	726,648
Printing & Stationery	<b>1,006,365</b>	1,587,267
Professional and Consultancy Charges	<b>3,830,621</b>	11,227,148
Charity and Donations	<b>91,953</b>	78,247
Wealth Tax	<b>178,505</b>	146,863
Business Promotion /Development, Advertisement & Publicity	<b>2,679,958</b>	12,527,230
Commission on Sales	<b>31,228,248</b>	36,933,311
Loss on Foreign Exchange Fluctuations	<b>16,689,673</b>	(5,799,852)
Packing Cost	<b>22,349,202</b>	22,080,566
Forwarding & Freight	<b>10,609,336</b>	9,206,304
Irrecoverable Debts Written off	<b>105,118</b>	21,967,406
Loss on sale of Fixed Assets	<b>4,598,984</b>	2,174,621
Prior Period Expenses	<b>118,923</b>	3,337
Miscellaneous Expenses	<b>4,496,087</b>	4,111,382
	<b>206,468,100</b>	239,936,698

#### **SCHEDULE 'L' - INTEREST & FINANCE CHARGES**

Interest on Term Loans	<b>3,887,434</b>	5,363,949
Interest (Others)	<b>25,356,736</b>	21,614,555
Bill Discounting Charges	<b>2,662,102</b>	2,492,830
	<b>31,906,272</b>	29,471,334



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

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Accounting

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the mandatory Accounting Standards (AS), issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956.

#### 2. Use of Estimates

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

#### 3. Inventories

- a. Raw Materials and Stores & Spares are valued at cost on "First in First out" basis.
- b. Semi-Finished/WIP are valued at cost including related overheads after providing for obsolescence, wherever considered necessary.
- c. Finished Goods are valued at cost or market value, whichever is lower.  
Cost includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- d. Saleable Scrap is valued at estimated realizable value.

#### 4. Cash Flow Statements

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

#### 5. Depreciation

- a. Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner specified in Schedule-XIV of the Companies Act, 1956.
- b. Depreciation on Fixed Assets added / disposed off during the year has been provided on pro-rata basis with reference to the month of addition / disposal.

#### 6. Research & Development Expenditure

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

#### 7. Revenue Recognition

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

#### 8. Export Benefits

Imports entitlements/Export obligations under Advance Licenses are accounted for at the time of purchase of Raw Materials/ Export sales.

#### 9. Fixed Assets

Fixed Assets are stated at cost (Net of CENVAT, wherever applicable) less accumulated depreciation. Cost comprises the purchase price, freight and any directly attributable cost of bringing the asset to working condition for its intended use.





## 10. Tools & Dies

Tools & Dies are written off over a period of two years and repair & maintenance of Tools & Dies are directly charged to profit & loss account.

## 11. Capital Commitments

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

## 12. Foreign Currency Transactions

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

## 13. Investments

Long -term Investments are stated at cost, unless there is a permanent diminution in value the Investments.

## 14. Employees Benefits

### a) Defined Contribution Plans:

The Company has contributed to state Governed Provident Fund scheme, Employees State Insurance scheme and Employee Pension Scheme which are defined contribution plans. Contribution paid or payable under the scheme is recognized 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). Actuarial gains or losses are charged to Profit and Loss Account.

### c) Liability in respect of leave encashment is provided for on actuarial basis using the same projected unit credit method as above.

## 15. Borrowing Cost

Borrowing Cost attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of that asset; other Borrowing costs are recognized as expenses in the period in which they are incurred.

## 16. Inter unit Transactions

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

## 17. Lease

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



## **18. Earnings Per share**

Basic Earning per Share is computed by dividing net income by the weighted average number of Equity Shares outstanding during the period.

## **19. Taxes on Income**

Tax on income for the current period is computed in accordance with the provision of the Income Tax Act 1961. Deferred tax 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.

Fringe Benefit Tax (FBT) payable under the provisions of section 115 WC of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Fringe Benefit Tax issued by ICAI regarded as an additional income tax and considered in determination of the profits for the year.

## **20. Impairment**

The Carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price in use.

## **21. Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed wherever applicable in notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**NOTES TO ACCOUNTS :**

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

**(Rs. in Lacs)**

	<b>Current Year</b>	Previous Year
i) Bank Guarantee(s) submitted	<b>61.29</b>	55.41
ii) Letters of Credit established by the bank	<b>88.53</b>	1146.38
iii) Bills Discounted	<b>75.70</b>	294.49
iv) Custom duty on Material imported against Advance Licence / for pending export obligation	<b>26.47</b>	35.23
v) Corporate Guarantee on behalf of JV Company	<b>121.00</b>	71.00
vi) Surety with Sales Tax Department	<b>2.00</b>	-

(b) Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for	<b>187.19</b>	105.28
---	---------------	--------

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

**(Rs. in Lacs)**

	<b>Current Year</b>	Previous Year
i) Lease rental due not later than one year	<b>0.03</b>	0.06
ii) Lease rental due later than one year but not later than five years	-	0.03

3. The balances of Sundry debtors and Creditors are subject to confirmation; however, these are being reasonably monitored.

4. In the opinion of the management all the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provisions for all known liabilities have been adequately made in the accounts.

**5. Payment to Auditors'**

**(Rs. in lacs)**

	<b>Current Year</b>	Previous Year
1. Audit Fees	<b>6.62</b>	6.74
2. Tax Audit Fees	<b>1.69</b>	1.40
3. Other Services	<b>4.20</b>	3.93
4. Reimbursement of expenses	<b>0.33</b>	<b>0.30</b>

6. Balance with scheduled Banks in unclaimed dividend accounts amounting to Rs. 18.00 lacs (Previous year Rs. 18.08 lacs).

7. Custom Duty not provided for in respect of material lying with the Bonded Warehouse / Material in Transit as on Balance Sheet date, is Rs. 150.48 lacs inclusive of Cenvatable amount of Rs.112.82 lacs (Previous Year Rs. 113.97 lacs inclusive of Cenvatable amount of Rs.95.94). However the above policy has no impact on the operating results of the Company.

**8. (a) Managerial Remuneration****(Rs. in Lacs)**

	<b>Current Year</b>	Previous Year
1. Salaries	<b>102.00</b>	84.00
2. Sitting Fees	<b>0.44*</b>	0.44*
3. Perquisites	<b>0.57</b>	0.69
<b>Sub Total</b>	<b>103.01</b>	85.13
4. Contribution to Provident Fund	<b>12.24</b>	10.08
<b>Grand Total</b>	<b>115.25</b>	95.21

\* Sitting Fee paid to independent directors

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

Effective Capital of the Company	Rs. 3838.75 Lacs
Maximum amount payable per month to each managerial personal	Rs. 3.00 Lacs

**9. Earnings Per Share**

	<b>Year ended 31.03.09</b>	Year ended 31.03.08
Net profit attributable to shareholders (Rs. in Lacs)	<b>400.69</b>	685.74
Weighted average number of equity shares (No. in Lacs)	<b>192.014</b>	192.014
Basic earning per share of Rs. 2/- each (in Rs.)	<b>2.09</b>	3.57

**10. Expenditure on Research & Development****(Rs. in Lacs)**

	<b>Year Ended 31.03.09</b>	Year Ended 31.03.08
Revenue	<b>15.18</b>	11.82

**11.** "Related Party Disclosure" for the year ended 31st March, 2009 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:**(a)** Related parties and their relationships

i) Key Management Personnel

Mr. S.S. Sandhu	Chairman
Mr. N.S. Ghumman	Managing Director
Mr. D.J.S. Sandhu	Dy. Managing Director

Others

Mr. Angad Sandhu	Business Development Manager
Mr. Kanav Anand	Asstt. Manager -Marketing

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

- a) TSL Holdings Ltd.
- b) Checon Shivalik Contact Solutions Pvt. Ltd.
- c) Angad Estates Pvt. Ltd.
- d) Innovative Clad Solutions Pvt. Ltd.
- e) Shivalik Bimetal Engineers Pvt. Ltd.

(b) Transactions with related parties

(Rs. in Lacs)

Nature of Transaction	(i)		(ii)	
	Key Management Personnel		Related Enterprises / Person	
	Current Year	Previous Year	Current Year	Previous Year
Managerial Remuneration	115.25	95.21	-Nil-	-Nil -
Checon Shivalik Contact Solutions Pvt. Ltd.				
- Rent Received	-Nil-	-Nil-	3.36	3.31
- Raw Material & Capital Goods Sold	-Nil -	-Nil -	3.17	1.01
- Other Expenses	-Nil -	-Nil -	5.45	3.99
- Equity Shares	-Nil -	-Nil -	-Nil -	23.64
			<u>11.98</u>	<u>31.95</u>
Innovative Clad Solutions Pvt. Ltd.				
- Equity Shares	-Nil -	-Nil -	487.00	20.00
- Share Application Money	-Nil -	-Nil -	245.00	-Nil -
- Goods Sold	-Nil -	-Nil -	0.02	-Nil -
			<u>732.02</u>	<u>20.00</u>
Shivalik Bimetal Engineers Pvt. Ltd.				
- Equity Shares	-Nil -	-Nil -	- Nil -	1.00
- Share Application Money	-Nil -	-Nil -	- Nil -	4.50
- Other Expenses	-Nil -	-Nil -	1.80	0.39
			<u>1.80</u>	<u>5.89</u>
Remuneration in pursuant to Section 314 of the Companies Act 1956 for holding an office or place of profit.	-Nil-	-Nil-	9.46	9.11
Office Rent Paid	-Nil-	-Nil-	4.37	3.92

12. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". As per Information available with the Company amount overdue at the year end on account of principal amount is Rs. 2,12,603/- (Previous year Rs. 1,21,237/- and Nil (Previous year- Nil) interest is due thereon.

13. **Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits":**

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

**(i) Defined Contribution Plan**

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

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

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

(Rs. in Lacs)

Sr. No.	Particulars	2008-09	2007-08
(a)	Employer's Contribution to Provident Fund	15.10	15.80
(b)	Employer's Contribution to Pension Scheme	10.10	9.11

**(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 following assumptions:

Particulars	2008-09		2007-08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	7.50%	7.50%	8.00%	8.00%
Rate of escalation in Salary (per annum)	5.00%	5.00%	5.50%	5.50%
Expected Rate of return on plan assets (per annum)	9.15%	-	9.15%	-
Expected Average remaining working lives of employees in no. of years	24.29	24.09	24.88	24.99
Mortality Table (LIC)	(1994-96) duly modified		(1994-96) duly modified	

Sr.No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2008-09	2007-08	2008-09	2007-08
<b>(a) Changes in Present Value of Obligation</b>					
Opening balance of Present value of obligation	40.21	37.06	8.25	7.14	
Interest Cost	3.01	2.96	0.62	0.57	
Current Service Cost	4.62	3.86	1.56	1.75	
Benefits Paid	(0.79)	(4.58)	(1.66)	(1.35)	
Actuarial (Gain)/Loss on Obligation	4.07	0.92	1.46	0.14	
Closing Balance of Present value of obligation	51.12	40.22	10.23	8.25	
<b>(b) Changes in Fair Value of Plan Assets</b>					
Opening balance of Fair Value of Plan Assets	38.47	38.39	-	-	
Expected Return on Plan Assets	3.52	3.51	-	-	
Employer's Contribution	9.34	1.24	-	-	
Benefits paid	(0.79)	(4.58)	-	-	
Actuarial Gain/ (Loss) on Plan Assets	0.10	(0.09)	-	-	
Closing balance of Fair value of Plan Assets	50.64	38.47	-	-	
Actual return on Plan Assets	3.62	3.42	-	-	

Sr.No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2008-09	2007-08	2008-09	2007-08
(c)	<b>Percentage of each category of Plan Assets to total Fair value of Plan assets</b> Administrated by Life Insurance Corporation of India	100%	100%	-	-
(d)	<b>Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets</b> Closing Balance of Present Value of Obligation	51.12	40.22	10.23	8.25
	Closing Balance of Fair Value of Plan Assets	50.63	38.47	-	-
	(Asset)/ Liability recognised the Balance Sheet	0.49	1.75	10.23	8.25
(e)	<b>Amount Recognised in the Balance Sheet</b> Closing Balance of Present Value of Obligation	51.12	40.22	10.23	8.25
	Closing Balance of Fair Value of Plan Assets	50.63	38.47	-	-
	Funded (Asset)/Liability recognised in the Balance Sheet	0.49	1.75	-	-
	Unfunded Liability recognised in the Balance Sheet	-	-	10.23	8.25
(f)	<b>Expenses recognised in the statement of Profit and Loss</b> Current Service Cost	4.62	3.86	1.56	1.75
	Interest Cost	3.01	2.96	0.62	0.57
	Expected Return on Plan Assets	(3.52)	(3.51)	-	-
	Net Actuarial (Gain)/Loss recognised in the period	3.97	1.01	1.46	0.14
	Expenses recognized in the statement of Profit and Loss	8.08	4.32	3.64	2.46
(g)	<b>Experience Adjustments</b> Experience adjustment on Plan Liabilities (loss)/gain	(4.07)	-	(1.46)	-
	Experience adjustment on Plan Assets (loss)/ gain	3.62	-	-	-
(h)	<b>Expected employer contribution for the next year</b>	7.67	-	1.38	-

#### 14. Disclosure in respect of Joint Venture

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

Particulars	Checon Shivalik Contact Solutions Pvt. Ltd.	Innovative Clad Solutions Pvt. Ltd.
Proportion of Ownership Interest	50%	33.33%
Products	Electrical Contacts	Industrial Clad Metals
Investment as on 31.03.2009	Rs.118.96 Lacs	Rs. 752.00 Lacs
Description of Interest	Jointly Controlled Entity	Jointly Controlled Entity
Joint Venture Partners	Checon Corporation, USA	i) ArcelorMittal Stainless & Nickel Alloys, France ii) DNick Holding Plc., UK
Country of Incorporation	India	India



	Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
	As At 31 <sup>st</sup> March 2009 (Rs. in Lacs)	As At 31 <sup>st</sup> March 2008 (Rs. in Lacs)	As At 31 <sup>st</sup> March 2009 (Rs. in Lacs)	As At 31 <sup>st</sup> March 2008 (Rs. in Lacs)
<b>I ASSETS</b>				
1 Fixed Assets( including Capital Work in Progress)	<b>88.89</b>	62.57	<b>900.08</b>	13.18
2 Investments	-	-	-	-
3 Current Assets, Loans & advances				
a) Inventories	<b>42.60</b>	135.64	<b>2.45</b>	-
b) Sundry Debtors	<b>142.26</b>	56.95	<b>0.06</b>	-
c) Cash and Bank Balance	<b>2.96</b>	29.99	<b>188.82</b>	13.17
d) Other current Assets	-	0.06	-	-
e) Loans & Advances	<b>27.58</b>	16.41	<b>17.59</b>	0.20
4 Miscellaneous Expenditure	-	-	<b>8.95</b>	0.83
<b>II LIABILITIES</b>				
1 Shareholders' Funds-Reserves & Surplus	<b>175.96</b>	120.40	<b>752.00</b>	20.00
2 Secured Loan	<b>26.45</b>	5.65	<b>8.06</b>	-
3 Deferred Tax (Net)	<b>2.91</b>	0.59	-	-
4 Current Liabilities and Provisions				
a) Liabilities	<b>84.12</b>	167.85	<b>347.67</b>	7.38
b) Provisions	<b>14.85</b>	7.13	<b>10.22</b>	-
	<b>For the year ended 31st March 2009</b>	For the year ended 31st March 2008	<b>For the year ended 31st March 2009</b>	For the year ended 31st March 2008
<b>III INCOME</b>				
1 Sales ( Net of Excise Duty)	<b>469.80</b>	332.16	-	-
2 Other Income	<b>0.33</b>	12.82	-	-
<b>IV EXPENSES</b>				
1 Operating Expenses	<b>395.21</b>	284.07	-	-
2 Depreciation	<b>3.57</b>	2.02	-	-
3 Interest	<b>5.75</b>	2.66	-	-
4 Profit Before Taxation	<b>65.60</b>	56.23	-	-
5 Provision for Taxation (including deferred taxation & fringe benefit tax)	<b>10.04</b>	7.61	-	-
6 Profit after Tax	<b>55.56</b>	48.62	-	-
<b>V OTHER MATTERS</b>				
1 Contingent Liabilities	<b>1.00</b>	-	-	-
2 Capital Commitments	<b>1.78</b>	-	<b>683.04</b>	18.13





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

	Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
	2008-09	2007-08	2008-09	2007-08
Opening Balance of Reserves	51.81	3.19	-	-
Add : Group share of Profits for the year	55.56	48.62	-	-
Closing Balance of Reserves	107.37	51.81	-	-

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

16. Additional information pursuant to the provisions of paragraphs 3 and 4 of part II of "Schedule VI of the Companies Act, 1956."

Class of Goods	Unit of Quantity	Current year Quantity	Previous year Quantity	
<b>A Installed capacity</b>				
Thermostatic Bimetal/Trimetal Strips & parts (Clad & EB welded) (Single shift)	Tonnes	740	740	
Parts for Color Picture Tubes, Electron Guns (Double shift)	No. of Pcs.	1,700 lacs	1,700 lacs	
Reflow Solder (Single shift) (as certified by the Management and relied on by the Auditor's, being a technical matter)	Tonnes	50	50	
<b>B Production</b>		<b>Current year</b>	<b>Previous year</b>	
Thermostatic Bimetal/Trimetal Strips and Parts	Tonnes	343.89	328.03	
Job-work of Bimetal/Trimetal/Alloy Strips	Tonnes	269.42	233.51	
Parts for Color Picture Tubes, Electron Guns	No. of Pieces	1037.03 lacs	1013.36 lacs	
Reflow Solder	Tonnes	0.42	0.81	
<b>C Turnover</b>				
	<b>Quantity</b>	<b>Value</b> (Rs. in Lacs)	<b>Quantity</b>	<b>Value</b> (Rs. in Lacs)
Bimetal/Trimetal Strips & Parts (Tonnes)				
- Domestic	148.05	2,282.62	169.55	2,750.04
- Export	191.55	2,533.33	158.93	2,166.16
Parts for Color Picture Tubes, Electron Guns (No. of Pcs., in lacs)				
- Domestic	1040.29 lacs	2,758.00	1003.85 lacs	2,969.44
- Export	3.00 lacs	3.72	16.45 lacs	107.92
Reflow Solder (Tonnes)				
- Export	0.37	9.36	0.79	17.38
Others	-	3.77	-	1.15
<b>D Stocks (Finished Goods)</b>				
	<b>Opening Stocks</b>		<b>Closing Stocks</b>	
	<b>Quantity</b> (Tonnes)	<b>Value</b> (Rs. in Lacs)	<b>Quantity</b> (Tonnes)	<b>Value</b> (Rs. in Lacs)
Bimetal/Trimetal Strips & Parts (Tonnes) (Previous Year)	11.64 (12.10)	119.37 (86.10)	15.92 (11.64)	119.43 (119.37)



Parts for Color Picture Tubes, Electron Guns (No. of Pcs., in lacs)	7.87	24.45	1.61	7.82
(Previous Year)	(14.80)	(69.80)	(7.87)	(24.45)
Reflow Solder (Tonnes)	0.02	0.15	0.08	1.07
(Previous Year)	(0.01)	(0.01)	(0.02)	(0.15)

<b>E Raw Material consumed</b>	<b>Current year</b>		<b>Previous year</b>	
	<b>Quantity</b> (Tonnes)	<b>Value</b> (Rs. in Lacs)	<b>Quantity</b> (Tonnes)	<b>Value</b> (Rs. in Lacs)
Bimetal / Trimetal & other Alloy Strips (Tonnes)	733.47	4,072.39	714.64	4,012.59
<b>F Consumption of Raw Materials, stores &amp; spares</b>	<b>% of total Consumption</b>	<b>Value</b> (Rs. In Lacs)	<b>% of total Consumption</b>	<b>Value</b> (Rs. In Lacs)
<b>Raw material</b>				
-imported	81.16	3,305.32	79.49	3,189.58
-indigenous	18.84	767.07	20.51	823.01
	<u>100 %</u>	<u>4,072.39</u>	<u>100 %</u>	<u>4,012.59</u>
<b>Stores &amp; Spares</b>				
-imported	14.68	15.58	20.13	23.81
-indigenous	85.32	90.52	79.87	94.48
	<u>100 %</u>	<u>106.10</u>	<u>100 %</u>	<u>118.29</u>
<b>G Value of imports calculated on CIF basis</b>		<b>Current year</b>		<b>Previous year</b>
Raw Material		2,900.56		2,618.54
Capital Goods		3.35		20.92
Stores & Spares		16.07		26.48
<b>H Expenditure in foreign currency</b>		106.21		126.85
<b>I Earning in foreign currency</b>		2,570.86		2,307.72
i) Export of goods calculated on F.O.B. basis (Net of Returns)		2,570.86		2,249.72
ii) Receipts on account of Exchange Fluctuations		0.00		58.00

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

i) **Registration Details**

Registration No.	5862
State Code No.	06
Balance Sheet Date	31.03.2009

ii) **Capital Raised During the Year (Amount in Thousands)**

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



iii) **Position of Mobilisation and Deployment of Funds (Amount in Thousands)**

Total Liabilities	815,304
Total Assets	815,304

SOURCE OF FUNDS :

Paid-up Capital	38,403
Reserves & Surplus	358,186
Secured Loans	241,526
Unsecured Loans	3,510
Deferred Tax Liability	21,097

APPLICATION OF FUNDS :

Net Fixed Assets ( Including Capital WIP)	187,456
Investments	87,846
Net Current Assets	387,420
Misc. Expenditure	-

iv) **Performance of the Company (Amount in Thousand)**

Turnover	766,144
Total expenditure	725,236
Profit before Tax	40,908
Profit after Tax	40,069
Earning per share in Rs.	2.09
Dividend Rate %	22.50%

v) **Generic Name of Principal Product of the Company**

(As per Monetary Terms )

**Product Description**

Thermostatic Bimetal/Trimetal Strips and Components  
Parts for Color Picture Tubes & Electron Guns

**Item Code No.**

722699  
854091



**Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Company's interest in Subsidiary Companies**

<b>S. No. Name of Subsidiary Company</b>	<b>Shivalik Bimetal Engineers Pvt. Ltd.</b>
1. The financial period of the Subsidiary Company ended on	31st March 2009
2. Date from which it became Subsidiary Company	27th Feb., 2008
3. a) Number of Shares held by the Holding Company with its nominees in the Subsidiary at the end of the financial year of the Subsidiary Company	10000 Shares
b) Extent of interest of Holding Company at the end of the Financial Year of the Subsidiary Company.	100%
4. The Net Aggregate Amount of the Subsidiary Company Profit / Loss so far as it concern the members of the Holding Company	
a) Not dealt with in the Holding Company's Account	
i) For the Financial year ended 31.03.09	Rs. 39,581/-
ii) For the previous Financial years as of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs. 1,89,231/-
b) Dealt with in Holding Company's Account	
i) For the Financial year ended 31.03.09	Nil
ii) For the previous Financial Years of the Subsidiary Company since it became the Holding Company's Subsidiary	Nil



## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS



To,

The Board of Directors of Shivalik Bimetal Controls Limited

1. We have audited the attached Consolidated Balance Sheet of Shivalik Bimetal Controls Limited, its subsidiary and a joint venture (together referred to as 'the group' as described in Note 1) as at 31st March, 2009, and the related Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentations. We believe that our audit provides a reasonable basis of our opinion.
3. We report that the financial statements of the subsidiary and a joint venture as audited by us reflect the Group's share of total assets of Rs. 973.23 lacs as at 31st March, 2009, total revenue of Rs. 537.26 lacs and cash flows amounting to Rs.193.63 lacs for the year ended on that date.
4. We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirement of Accounting Standard 21- "Consolidated Financial Statements" and Accounting Standard 27- "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India.
5. Based on our audit, in our opinion and to the best of our information and according to the explanation given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Shivalik Group as at 31st March, 2009.
  - b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Shivalik Group for the year ended on that date; and
  - c) In the case of Consolidated Cash Flow Statement, of the Consolidated Cash flows of the Shivalik Group for the year ended on that date.

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

-Sd-

Place : New Delhi  
Dated : August 28, 2009

**SURESH MALIK**  
Proprietor  
M. No. 080493



# SHIVALIK BIMETAL CONTROLS LIMITED

## Consolidated Balance Sheet as at 31st March 2009



	Schedule	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	38,402,800	38,402,800
Reserves & Surplus	B	367,723,115	332,167,430
		<u>406,125,915</u>	<u>370,570,230</u>
<b>Loan Funds</b>			
Secured Loans	C	244,978,208	173,647,691
Unsecured Loans		3,509,852	4,155,672
		<u>248,488,060</u>	<u>177,803,363</u>
Deferred Tax Liability	D	21,393,263	22,301,000
	TOTAL.....	<u>676,007,238</u>	<u>570,674,593</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	305,453,098	291,221,904
Less : Depreciation		<u>104,315,202</u>	<u>93,983,793</u>
Net Block		201,137,896	197,238,111
Capital Work-in- Progress		65,889,842	18,333
Advances for Capital Expenditure		4,755,639	322,298
Pre-operative & Incidental expenditure pending Capitalization		10,024,347	1,294,676
Machinery in Transit		<u>4,580,500</u>	-
		286,388,224	198,873,418
Goodwill		3,607,982	3,607,982
	F	200,000	-
<b>INVESTMENTS</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	G	221,601,077	240,750,227
Sundry Debtors		237,165,022	250,737,253
Cash and Bank Balances		28,944,262	24,528,183
Other Current Assets		992,575	689,175
Loans & Advances		<u>94,708,495</u>	<u>86,054,855</u>
		583,411,431	602,759,693
Less : <b>Current Liabilities &amp; Provisions</b>	H		
Current Liabilities		160,115,401	195,381,155
Provisions		<u>38,398,011</u>	<u>39,292,901</u>
		198,513,412	234,674,056
<b>Net Current Assets</b>		<b>384,898,019</b>	<b>368,085,637</b>
<b>Miscellaneous Expenditure</b> (to the extent not written off or adjusted )	I	913,013	107,556
	TOTAL.....	<u>676,007,238</u>	<u>570,674,593</u>

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

As per our report of even date

**For MALIK S & CO.**

Chartered Accountants

Sd/-

SURESH MALIK

Proprietor

M.No. 080493

Sd/-

( K.S. NEGI )

General Manager

( Fin. & Admn. )

For and on behalf of the Board

Sd/-

( N.S. GHUMMAN )

Managing Director

Sd/-

( S.S. SANDHU )

Chairman

Place : New Delhi

Dated : August 28, 2009



# SHIVALIK BIMETAL CONTROLS LIMITED

## Consolidated Profit and Loss Account for the Year ended 31st March, 2009



Schedule	Year ended on 31st March 2009 Rupees	Year ended on 31st March 2008 Rupees
<b>INCOME</b>		
<b>Sales</b>	<b>811,720,066</b>	839,329,029
Less : Excise Duty	<u>62,695,491</u>	<u>82,248,186</u>
Sales ( Net )	<b>749,024,575</b>	757,080,843
<b>Services</b>		
Technical Consultancy Services	<b>1,050,000</b>	350,000
Job Work	<b>152,767</b>	181,426
Other Income	<b>6,805,000</b>	20,091,065
<b>Sales &amp; Other Income</b>	<u><b>757,032,342</b></u>	<u>777,703,334</u>
<b>EXPENDITURE</b>		
(Increase)/Decrease in Stock	<b>8,308,844</b>	(13,457,159)
Cost of Raw Material Consumed	<b>441,501,422</b>	426,556,765
Manufacturing & Other Expenses	<b>211,260,106</b>	241,716,096
Interest & Finance Charges	<b>32,339,539</b>	29,737,287
Depreciation	<b>16,083,055</b>	16,197,789
Miscellaneous Expenses Written Off	<b>6,285</b>	6,285
	<u><b>709,499,250</b></u>	<u>700,757,063</u>
<b>Profit before tax</b>	<b>47,533,092</b>	76,946,271
Provision for Taxation		
-Current Tax	<b>5,223,000</b>	8,638,000
-MAT Credit Entitlement	<b>(3,901,000)</b>	(7,610,000)
-Deferred Tax	<b>(907,737)</b>	348,500
-Fringe Benefit Tax	<b>1,576,500</b>	1,944,250
Taxation adjustments of previous years (Net)	<b>(122,462)</b>	
<b>Profit after Tax</b>	<b>45,664,791</b>	73,625,521
Profit Brought Forward	<u><b>185,747,096</b></u>	<u>155,093,318</u>
<b>Amount Available for Appropriations</b>	<u><b>231,411,887</b></u>	<u>228,718,839</u>
<b>APPROPRIATIONS</b>		
Ist Interim Dividend	<b>3,840,280</b>	5,760,420
IInd Interim Dividend	-	4,800,350
Tax on Interim Dividend	<b>652,656</b>	1,794,803
Proposed Final Dividend	<b>4,800,350</b>	4,800,350
Tax on Proposed Final Dividend	<b>815,820</b>	815,820
Transfer to General Reserve	<b>25,000,000</b>	25,000,000
Balance carried to Balance Sheet	<u><b>196,302,781</b></u>	<u>185,747,096</u>
	<u><b>231,411,887</b></u>	<u>228,718,839</u>
<b>Basic and Diluted Earnings per share( Rs.)</b>	<b>2.38</b>	<b>3.83</b>

Significant Accounting Policies and Notes to Accounts "Schedule N"

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

As per our report of even date

**For MALIK S & CO.**

Chartered Accountants

Sd/-  
SURESH MALIK  
Proprietor  
M.No. 080493

Sd/-  
( K.S. NEGI )  
General Manager  
( Fin. & Admn. )

For and on behalf of the Board

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

Sd/-  
( S.S. SANDHU )  
Chairman

Place : New Delhi

Dated : August 28, 2009



**SHIVALIK BIMETAL CONTROLS LIMITED**  
**Consolidated Cash Flow Statement for the year ended 31st March, 2009**



	Year ended on 31st March, 2009 Rupees	Year ended on 31st March, 2008 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	47,533,092	76,946,271
Adjustments for:		
Depreciation	16,083,055	16,197,789
Interest Paid	32,339,539	29,737,287
Misc. expenses written off	6,285	6,285
Interest Received	(4,396,413)	(4,297,524)
Amount Written Back	(91,018)	(15,292,844)
Debtors/ Unrecoverable Amount Written Off	105,118	21,967,406
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss	(54,333)	(56,539)
(Profit)/Loss on sale of fixed asset	4,598,984	2,174,621
<b>Operating Profit before Working Capital changes</b>	<b>96,124,309</b>	<b>127,382,751</b>
Adjustment for :		
Trade and other receivables	13,467,113	(4,599,626)
Inventories	19,149,150	(1,781,232)
Trade Payables	(35,084,176)	25,133,561
Loans and Advances	(6,579,209)	(14,032,481)
Other current Assets	(303,400)	(489,700)
<b>Cash generated from operations</b>	<b>86,773,787</b>	<b>131,613,274</b>
Direct taxes paid	(4,704,302)	(13,246,295)
Cash flow from Ordinary items	82,069,485	118,366,979
Extraordinary Items	-	-
<b>Net Cash flow from operating activities</b>	<b>82,069,485</b>	<b>118,366,979</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(27,583,900)	(14,054,332)
Miscellaneous Expenses	(811,742)	(113,841)
Sale of Fixed Assets	2,655,500	634,822
Capital Work In Progress	(78,835,102)	(854,379)
Capital Advance	(4,433,341)	2,702
Interest Received	4,396,413	4,297,524
Long Term Investment	(200,000)	-
<b>Net cash ( used ) in / from investing activities</b>	<b>(104,812,173)</b>	<b>(10,087,504)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Bank Borrowings	82,749,395	(21,228,477)
Vehicle Loan	1,749,291	(110,854)
Term Loan Paid	(13,168,170)	(16,828,282)
Unsecured Loan	(645,820)	(7,151,490)
Interest Paid	(32,339,539)	(29,737,287)
Dividend including Dividend Tax paid	(11,240,724)	(17,544,981)
<b>Net Cash (used) in from financing activities</b>	<b>27,104,434</b>	<b>(92,601,371)</b>
<b>NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS</b>	<b>4,361,746</b>	<b>15,678,104</b>
Cash and Cash equivalents as on 1st April,2008 (Opening Balance)	24,528,183	8,793,540
Exchange Difference on translation of foreign currency cash & cash equivalent	54,333	56,539
Cash and Cash equivalents as on 31st March 2009 ( Closing Balance)	28,944,262	24,528,183
Cash and Cash equivalents as on 31st March 2009 as per book	28,944,262	24,528,183

As per our report of even date

**For MALIK S & CO.**

Chartered Accountants

For and on behalf of the Board

Sd/-  
SURESH MALIK  
Proprietor  
M.No. 080493

Sd/-  
( K.S.NEGI )  
General Manager  
( Fin. & Admn. )

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

Sd/-  
( S.S. SANDHU )  
Chairman

Place : New Delhi  
Dated : August 28, 2009





# SHIVALIK BIMETAL CONTROLS LIMITED

Schedules Forming Part of the Consolidated Balance Sheet  
as at and Profit & Loss Account for the year ended 31st March, 2009



	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
<b>SCHEDULE 'A' - SHARE CAPITAL</b>		
<b>(a) AUTHORISED</b>		
2,50,00,000 Equity Shares (Previous year 2,50,00,000 Equity Shares) of Rs. 2/- each	<u>50,000,000</u>	<u>50,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
1,92,01,400 Equity Shares ( Previous year 1,92,01,400 Equity Shares) of Rs 2/- each , Fully paid-up	<u>38,402,800</u>	<u>38,402,800</u>
<b>SCHEDULE 'B' - RESERVES AND SURPLUS</b>		
<b>(a) Capital Reserve</b>	6,420,334	6,420,334
<b>(b) General Reserve</b>		
Balance as per last year:	140,000,000	115,000,000
Add: Transferred from profit & loss account	<u>25,000,000</u>	<u>25,000,000</u>
	165,000,000	140,000,000
<b>(c) Profit &amp; Loss Account</b>		
Balance carried forward	196,302,781	185,747,096
	<u>367,723,115</u>	<u>332,167,430</u>
<b>SCHEDULE 'C' - SECURED LOANS</b>		
<b>FROM BANK</b>		
(Secured by hypothecation of stocks, movable properties and Book debts, both present and future And Equitable mortgage of company's Factory Land and Building, situated at Chambaghat, Solan, H.P.)		
Cash Credit / Working Capital Loans	205,617,410	122,868,015
Machinery Term Loan (Amount repayable within one year Rs. 101.36 lacs, Previous year Rs. 147.95 lacs)	<u>28,779,051</u>	<u>41,947,221</u>
	234,396,461	164,815,236
<b>FROM OTHERS</b>		
Vehicles Loans (Amount repayable within one year Rs.51.56 lacs, Previous year Rs.38.13 lacs)	<u>10,581,746</u>	<u>8,832,455</u>
	244,978,208	173,647,691
<b>SCHEDULE 'D' - DEFERRED TAX LIABILITY (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation	22,301,000	21,952,500
	<u>288,560</u>	<u>876,500</u>
	22,589,560	22,829,000
<b>Less : Deferred Tax Assets</b>		
Depreciation	746,268	
Others	<u>450,029</u>	<u>528,000</u>
	1,196,297	528,000
	<u>21,393,263</u>	<u>22,301,000</u>



### SCHEDULE "E" - CONSOLIDATED FIXED ASSETS

Particulars	COST				DEPRECIATION				NET BLOCK	
	As at 01.04.08	Additions	Sale/Transfer during the year	As at 31.03.09	UPTO 31.03.08	FOR 2008-09	ADJUST- MENTS	UPTO 31.03.09	AS AT 31.03.09	AS AT 31.03.08
1. Land (Leasehold)	366,923	5,910,971	-	<b>6,277,894</b>	-	164,194	-	164,194	6,113,700	366,923
2. Site Development	1,296,421	-	-	<b>1,296,421</b>	898,697	43,300	-	941,997	354,424	397,724
3. Building	30,336,084	-	-	<b>30,336,084</b>	7,466,013	1,013,226	-	8,479,239	21,856,845	22,870,071
4. Plant & Machinery	198,073,100	6,007,441	38,500	<b>204,042,041</b>	66,582,747	9,905,463	17,410	76,470,800	127,571,241	131,490,353
5. Furniture & Fixtures	10,458,294	1,344,886	-	<b>11,803,180</b>	2,614,560	740,189	-	3,354,748	8,448,432	7,843,735
6. Vehicles	38,694,846	12,831,780	13,304,492	<b>38,222,134</b>	10,578,724	3,551,500	6,071,098	8,059,126	30,163,008	28,116,122
7. Office Equipment & Appliances	11,990,772	1,488,822	4,250	<b>13,475,344</b>	5,842,978	1,006,368	4,250	6,845,098	6,630,246	6,147,794
<b>TOTAL (Rs.)</b>	<b>291,216,440</b>	<b>27,583,900</b>	<b>13,347,242</b>	<b>305,453,098</b>	<b>93,983,719</b>	<b>16,424,241*</b>	<b>6,092,758</b>	<b>104,315,202</b>	<b>201,137,896</b>	<b>197,232,722</b>
Previous Year	276,413,437	19,024,762	4,221,810	291,216,439	79,198,297	16,197,789	1,412,367	93,983,719	197,232,720	197,215,140
Capital Work-In-Progress									65,889,842	-
Advances for Capital Expenditure									4,755,639	322,298
Machinery in Transit									4,580,500	-
Pre-operative and Incidental Expenditure pending Capitalization									10,024,347	-

\* Depreciation of Rs 3,41,186/-related to ICS-Joint Venture has been included in "Pre-operative and Incidental Expenditure pending Capitalization"

As at  
**31st March 2009**  
Rupees

As at  
31st March 2008  
Rupees

### SCHEDULE 'F' - INVESTMENTS

#### LONG TERM UNQUOTED SHARES

20,000 Equity Shares (Previous year- NIL) of SSWML of Rs.10/-each

**200,000**

**200,000**

### SCHEDULE 'G'- CURRENT ASSETS, LOANS & ADVANCES

#### CURRENT ASSETS

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

Stores & Spares	<b>3,740,748</b>	3,820,518
Packing Material	<b>318,469</b>	216,888
Tools & Dies	<b>194,952</b>	544,454
Finished Goods	<b>11,601,967</b>	16,041,452
Finished Goods lying in warehouse at Brazil	<b>2,999,662</b>	770,344
Work-in-progress	<b>40,974,853</b>	45,769,399
Semi-Finished goods	<b>3,904,088</b>	5,317,952
Raw Materials	<b>69,524,194</b>	73,251,420
Scrap	<b>1,478,344</b>	2,626,673
Stock of Stationery	<b>33,668</b>	35,232
Material in Transit	<b>17,965,595</b>	43,415,034
Stock with Bonded Warehouse	<b>68,864,539</b>	48,940,861
	<b>221,601,077</b>	240,750,227

#### SUNDRY DEBTORS

(Unsecured - Considered Good)

a) Debts outstanding - exceeding Six Months

**51,277,183**

40,873,286

b) Other Debts

**185,887,839**

209,863,967

**237,165,022**

250,737,253



	As at <b>31st March 2009</b> Rupees	As at 31st March 2008 Rupees
<b>CASH AND BANK BALANCES</b>		
Cash/Cheques-in-hand	340,479	1,414,896
<b>Balance with Scheduled Banks</b>		
Current Accounts	27,047,658	10,202,698
Fixed Deposit held as Margin Money	<u>1,556,125</u>	<u>12,910,589</u>
	<b>28,944,262</b>	<b>24,528,183</b>
<b>OTHER CURRENT ASSETS</b>		
Gold Coins	992,575	689,175
<b>LOANS AND ADVANCES</b>		
(Unsecured - Considered Good)		
Advances recoverable in cash or in kind or for value to be received	17,492,411	20,741,009
Excise Duty	20,827,285	15,877,300
Security Deposits	2,388,434	1,411,612
MAT Credit Entitlement	24,211,000	20,310,000
Advance Income Tax /TDS	<u>29,789,365</u>	<u>27,714,934</u>
	<b>94,708,495</b>	<b>86,054,855</b>
	<b>583,411,431</b>	<b>602,759,693</b>
<b>SCHEDULE 'H' - CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LAIBILITIES</b>		
<b>SUNDRY CREDITORS</b>		
Due to Micro, Small & Medium Enterprises	212,603	121,237
Other Creditors	<u>142,066,733</u>	173,184,963
Other Liabilities	16,036,291	20,266,797
Unclaimed Dividend	1,799,774	1,808,158
	<b>160,115,401</b>	<b>195,381,155</b>
<b>PROVISIONS</b>		
Ist Interim Dividend	3,840,280	-
IInd Interim Dividend	-	4,800,350
Tax on Interim Dividend	652,656	815,820
Proposed Final Dividend	4,800,350	4,800,350
Tax on Proposed Final Dividend	815,820	815,820
Employee Benefits	1,100,988	1,018,811
Taxation	<u>27,187,917</u>	<u>27,041,750</u>
	<b>38,398,011</b>	<b>39,292,901</b>
	<b>198,513,412</b>	<b>234,674,056</b>
<b>SCHEDULE 'I' - MISCELLANEOUS EXPENDITURE</b>		
(to the extent not written off or adjusted )		
Preliminary Expenses	919,298	113,841
Less : Expenses Written off	<u>6,285</u>	<u>6,285</u>
	<b>913,013</b>	<b>107,556</b>
<b>SCHEDULE 'J' - OTHER INCOME</b>		
Interest	4,396,413	4,297,524
(Tax Deducted at Source Rs. 7,18,467 /-, Previous year Rs. 5,08,593/-)		
Miscellaneous Income	488,079	200,697
Rent Received	300,000	300,000
(Tax Deducted at Source Rs. 69,811/-, Previous year Rs.74,980)		
Premium / Discount on Forward Contract	1,529,490	-
Liabilities no more payable Written Back	<u>91,018</u>	<u>15,292,844</u>
	<b>6,805,000</b>	<b>20,091,065</b>



Year Ended on  
**31st March 2009**  
Rupees

Year Ended on  
31st March 2008  
Rupees

**SCHEDULE K - MOVEMENT IN STOCK**

	Year Ended on 31st March 2009 Rupees	Year Ended on 31st March 2008 Rupees
<b>Opening Stock</b>		
Finished Goods	16,811,796	22,282,003
Work in Progress	45,769,399	29,848,088
Semi-Finished Goods	5,317,952	3,990,387
Scrap	2,626,673	1,853,698
	<u>70,525,820</u>	<u>57,974,176</u>
<b>Closing Stock</b>		
Finished Goods	14,601,629	16,811,796
Work in Progress	40,974,853	45,769,399
Semi-Finished Goods	3,904,088	5,317,952
Scrap	1,478,344	2,626,673
	<u>60,958,914</u>	<u>70,525,820</u>
Add/(Less): Excise duty variation on opening/closing stock	(1,258,062)	(905,515)
(Increase)/Decrease	<u>8,308,844</u>	<u>(13,457,159)</u>

**SCHEDULE L - MANUFACTURING & OTHER EXPENSES**

Stores & Spares Consumed	10,676,942	12,018,903
Power & Fuel	5,990,217	5,630,897
Salaries , Wages & Bonus	34,756,259	28,004,529
Employee's Welfare and Other Amenities	6,524,489	4,785,258
Machinery Repairs	7,075,543	11,908,885
Building Repairs	1,262,977	4,055,523
Other Repairs	6,293,740	8,250,230
Processing Charges	4,552,031	15,131,683
Lease Charges	6,000	6,000
Research & Development	1,517,660	1,182,392
Insurance	6,005,104	6,339,900
Rent	1,402,039	1,351,336
Rates & Taxes	515,852	337,364
Managerial Remuneration	11,525,166	9,520,521
Travelling & Conveyance	12,472,282	16,305,489
Electricity and Water Charges	966,885	725,648
Printing & Stationery	1,017,543	1,598,554
Professional and Consultancy Charges	4,152,395	11,971,066
Charity and Donations	91,953	78,247
Wealth Tax	178,505	146,863
Business Promotion /Devlopment, Advertisement & Publicity	2,807,814	12,547,230
Commission on Sales	31,228,248	36,933,311
Loss on Foreign Exchange Fluctuations	17,740,508	(6,742,748)
Packing Cost	22,357,201	22,080,566
Forwarding & Freight	10,685,819	9,221,922
Irrecoverable Debts Written off	105,118	21,967,406
Loss on sale of Fixed Assets	4,598,984	2,174,621
Prior Period Expenses	118,923	15,634
Miscellaneous Expenses	4,633,909	4,167,866
	<u>211,260,106</u>	<u>241,716,096</u>

**SCHEDULE M - INTEREST & FINANCE CHARGES**

Interest on Term Loans	3,923,868	5,436,454
Interest (Others)	25,753,569	21,808,003
Bill Discounting Charges	2,662,102	2,492,830
	<u>32,339,539</u>	<u>29,737,287</u>



## **SCHEDULE - N - Notes to Accounts for the Consolidated Financials for the Year ending 31st March 2009**

### **1. BACKGROUND**

Shivalik Bimetal Controls Ltd. (referred to as "SBCL", "Parent" or "the Company") was incorporated in 1984. The Company is carrying on the business of manufacturing Thermostatic Bimetal / Trimetal strips & parts, parts of colour picture tubes and Shunt material. SBCL has the following subsidiary and Joint Venture as on 31st March 2009:

- a) Shivalik Bimetal Engineers Pvt. Ltd. (referred to as "SBEPL"), a company incorporated in India, is a Subsidiary Company wherein 100% of its shares are held by the Company and is carrying on the business of rendering Engg. & Technical services.
- b) Checon Shivalik Contact Solutions Pvt. Ltd. (referred to as "CSCS"), a company incorporated in India, is a Joint Venture Company wherein 50% of its Shares are held by the Company and is carrying on the business of manufacturing Electrical Contacts.
- c) Innovative Clad Solutions Pvt. Ltd. (referred to as "ICS"), a company incorporated in India, is a Joint Venture Company wherein 33.33% of its Shares are held by the Company and is about to commence commercial production of Clad Metals.

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

### **2. PRINCIPLES OF CONSOLIDATION**

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

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

The Consolidated Financial Statements include the Financial Statements of the Company, its 100% owned and controlled Subsidiary and two joint venture Companies as at 31<sup>st</sup> March 2009 according to Accounting Standards-21 and 27 issued by ICAI. Other Investments has been accounted for as per Accounting Standard 13 - "Accounting for Investments".

The Consolidated Financial Statements have been combined on a line-by-line basis in the case of subsidiary and on proportionate basis in the case of joint venture by adding the book values of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balance / transactions and resulting unrealized profits in full.

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

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

#### **(i) Depreciation**

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

#### **(ii) Fixed Assets**

- Expenses incurred relating to project prior to commencement of commercial production are classified as "Pre-Operative and incidental Expenditure pending Capitalization (net of income earned during this period)".
- In compliance with the Notification dated March 31, 2009 issued by Ministry of Corporate Affairs, the Company has exercised the option available under the newly inserted paragraph 46 of the Accounting Standard -11 "The effect of Changes in Foreign Exchange Rates".

### **4. OTHER SIGNIFICANT ACCOUNTING POLICIES:**

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

## NOTES TO CONSOLIDATED ACCOUNTS :

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

(Rs. in Lacs)

Particulars	Current Year	Previous Year
i) Bank Guarantee(s) submitted	61.29	55.41
ii) Letters of credit established by the bank	88.53	1146.38
iii) Bills Discounted	75.70	294.49
iv) Custom duty on Material imported against Advance Licence / for pending export obligation	26.47	35.23
v) Corporate Guarantee on behalf of JV Company	121.00	71.00
(vi) Surety with Sales Tax Department	3.00	-

### (b)

Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for	415.76	105.28
---	--------	--------

### 2. The obligation for future lease rentals in respect of leased assets, aggregate to:

(Rs. in Lacs)

	Current Year	Previous Year
i) Lease rental due not later than one year	0.03	0.06
ii) Lease rental due later than one year but not later than five years	-	0.03

- Inventory of Rs. 2,45,406 related to 'ICS' represent material lying with Auerhammer Metalwerk GMBH, Germany. However it is subject to confirmation w.r.t. consumption for Trial Runs/ Despatch of samples to prospective customers.
- In respect of 'ICS' the amortised amount of Rs. 1.64 lacs on leasehold land charged during the year has been included in the "Pre-operative and incidental Expenditure pending capitalization."
- ICS expenses of Rs. 100.24 lacs incurred relating to project prior to commencement of commercial production are classified as "Pre-Operative and incidental Expenditure pending Capitalization (net of income earned during this period)".
- "Related Party Disclosure" for the year ended 31st March, 2009 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

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

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

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

Nature of Transaction	(i)		(ii)	
	Key Management Personnel		Related Enterprises / Person	
	Current Year	Previous Year	Current Year	Previous Year
Managerial Remuneration	115.25	95.21	- Nil -	- Nil -
Checon Shivalik Contact Solutions Pvt. Ltd.				
- Rent Received	- Nil -	- Nil -	3.36	3.31
- Raw Material & Capital Goods Sold	- Nil -	- Nil -	3.17	1.01
- Other Expenses	- Nil -	- Nil -	5.45	3.99
- Equity Shares	- Nil -	- Nil -	- Nil -	23.64
			<u>11.98</u>	<u>31.95</u>
Innovative Clad Solutions Pvt. Ltd.				
- Equity Shares	- Nil -	- Nil -	487.00	20.00
- Share Application Money	- Nil -	- Nil -	245.00	- Nil -
- Goods Sold	- Nil -	- Nil -	0.02	- Nil -
			<u>732.02</u>	<u>20.00</u>
Shivalik Bimetal Engineers Pvt. Ltd.				
- Equity Shares	- Nil -	- Nil -	- Nil -	1.00
- Share Application Money	- Nil -	- Nil -	- Nil -	4.50
- Other Expenses	- Nil -	- Nil -	1.80	0.39
			<u>1.80</u>	<u>5.89</u>
Remuneration in pursuant to Section 314 of the Companies Act 1956 for holding an office or place of profit.	-Nil-	-Nil-	27.63	9.11
Office Rent Paid	-Nil-	-Nil-	4.37	3.92

**7. Earnings Per Share**

	Year ended 31.03.09	Year ended 31.03.08
Net profit attributable to shareholders (Rs in Lacs)	456.65	736.26
Weighted average number of equity shares (No. in Lacs )	192.014	192.014
Basic Earnings per share of Rs.2/- each (in Rs.)	2.38	3.83

**8. Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits":**

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

**(i) Defined Contribution Plan**

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

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

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

(Rs. in Lacs)

Particulars	2008-09 Rupees	2007-08 Rupees
Employer's Contribution to Provident Fund	15.28	15.81
Employer's Contribution to Pension Scheme	10.31	9.13

**(ii) Defined Benefit Plan**

(a) Gratuity

(b) Leave Encashment

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

Particulars	2008-09		2007-08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	7.50%	7.50%	8.00%	8.00%
Rate of escalation in Salary (per annum)	5.00%	5.00%	5.50%	5.50%
Expected Rate of return on plan assets (per annum)	9.15%	-	9.15%	-
Expected Average remaining working lives of employees in no. of years	24.29	24.09	24.88	24.99
Mortality Table (LIC)	(1994-96) duly modified		(1994-96) duly modified	

Sr.No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2008-09	2007-08	2008-09	2007-08
<b>(a)</b>	<b>Changes in Present Value of Obligation</b>				
	Opening balance of Present value of obligation	<b>40.22</b>	37.06	<b>8.26</b>	7.14
	Interest Cost	<b>3.01</b>	2.96	<b>0.62</b>	0.57
	Current Service Cost	<b>4.68</b>	3.86	<b>1.55</b>	1.76
	Benefits Paid	<b>(0.79)</b>	(4.58)	<b>(1.66)</b>	(1.35)
	Actuarial (Gain)/Loss on Obligation	<b>4.07</b>	0.92	<b>1.46</b>	0.14
	Closing Balance of Present value of obligation	<b>51.19</b>	40.22	<b>10.23</b>	8.26
<b>(b)</b>	<b>Changes in Fair Value of Plan Assets</b>				
	Opening balance of Fair Value of Plan Assets	<b>38.47</b>	38.39	-	-
	Expected Return on Plan Assets	<b>3.52</b>	3.51	-	-
	Employer's Contribution	<b>9.34</b>	1.24	-	-
	Benefits paid	<b>(0.79)</b>	(4.58)	-	-
	Actuarial Gain/ (Loss) on Plan Assets	<b>0.10</b>	(0.09)	-	-
	Closing balance of Fair value of Plan Assets	<b>50.64</b>	38.47	-	-
	Actual return on Plan Assets	<b>3.62</b>	3.42	-	-





Sr.No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2008-09	2007-08	2008-09	2007-08
(c)	<b>Percentage of each category of Plan Assets to total Fair value of Plan assets</b> Adminstrated by Life Insurance Corporation of India	<b>100%</b>	100%	-	-
(d)	<b>Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets</b> Closing Balance of Present Value of Obligation	<b>51.19</b>	40.22	<b>10.23</b>	8.26
	Closing Balance of Fair Value of Plan Assets	<b>50.64</b>	38.47	-	-
	(Asset)/ Liability recognised the Balance Sheet	<b>0.55</b>	1.75	<b>10.23</b>	8.26
(e)	<b>Amount Recognised in the Balance Sheet</b> Closing Balance of Present Value of Obligation	<b>51.19</b>	40.22	<b>10.23</b>	8.26
	Closing Balance of Fair Value of Plan Assets	<b>50.64</b>	38.47	-	-
	Funded (Asset)/ Liability recognised the Balance Sheet	<b>0.55</b>	1.75	-	-
	Unfunded Liability recognised in the Balance Sheet	-	-	<b>10.23</b>	8.26
(f)	<b>Expenses recognised in the statement of Profit and Loss</b> Current Service Cost	<b>4.68</b>	3.86	<b>1.56</b>	1.76
	Interest Cost	<b>3.01</b>	2.96	<b>0.62</b>	0.57
	Expected Return on Plan Assets	<b>(3.52)</b>	(3.51)	-	-
	Net Actuarial (Gain)/Loss recognised in the period	<b>3.97</b>	1.01	<b>1.46</b>	0.14
	Expenses recognized in the statement of Profit and Loss	<b>8.14</b>	4.32	<b>3.64</b>	2.47
(g)	<b>Experience Adjustments</b> Experience adjustment on Plan Liabilities (loss)/gain	<b>(4.07)</b>	-	<b>(1.46)</b>	-
	Experience adjustment on Plan Assets (loss)/ gain	<b>3.62</b>	-	-	-
(h)	<b>Expected employer contribution for the next year</b>	<b>7.67</b>	-	<b>1.38</b>	-

9. The balances of Sundry debtors and Creditors and subject to confirmation; however, these are being reasonably monitored.
10. In the opinion of the management all the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and the provisions for all known liabilities have been adequately made in the accounts.
11. Balance with scheduled Banks in unclaimed dividend accounts amounting to Rs. 18.00 lacs (Previous year Rs. 18.08 lacs).
12. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". As per Information available with the Company amount overdue at the year end on account of principal amount is Rs. 25,00,290/- (Previous year 1,21,237/-) and Nil (Previous year- NIL) interest is due thereon.
13. **Interests in Joint ventures**

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

Particulars	Checon Shivalik Contact Solutions Pvt. Ltd	Innovative Clad Solutions Pvt. Ltd.
Proportion of Ownership Interest	50%	33.33%
Products	Electrical Contacts	Industrial Clad Metals
Investment as on 31.03.2009	Rs.118.96 Lacs	Rs. 752.00 Lacs
Description of Interest	Jointly Controlled Entity	Jointly Controlled Entity
Joint Venture Partners	Checon Corporation, USA	i) ArcelorMittal Stainless & Nickel Alloys, France ii) DNick Holding Plc., UK
Country of Incorporation	India	India



	Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
	As At 31 <sup>st</sup> March 2009 (Rs. in Lacs)	As At 31 <sup>st</sup> March 2008 (Rs. in Lacs)	As At 31 <sup>st</sup> March 2009 (Rs. in Lacs)	As At 31 <sup>st</sup> March 2008 (Rs. in Lacs)
<b>I ASSETS</b>				
1 Fixed Assets( including Capital Work in Progress)	<b>88.89</b>	62.57	<b>900.08</b>	13.18
2 Investments	-	-	-	-
3 Current Assets, Loans & advances				
a) Inventories	<b>42.60</b>	135.64	<b>2.45</b>	-
b) Sundry Debtors	<b>142.26</b>	56.95	<b>0.06</b>	-
c) Cash and Bank Balance	<b>2.96</b>	29.99	<b>188.82</b>	13.17
d) Other current Assets	-	0.06	-	-
e) Loans & Advances	<b>27.58</b>	16.41	<b>17.59</b>	0.20
4 Miscellaneous Expenditure	-	-	<b>8.95</b>	0.83
<b>II LIABILITIES</b>				
1 Shareholders' Funds-Reserves & Surplus	<b>175.96</b>	120.40	<b>752.00</b>	20.00
2 Secured Loan	<b>26.45</b>	5.65	<b>8.06</b>	-
3 Deferred Tax (Net)	<b>2.91</b>	0.59	-	-
4 Current Liabilities and Provisions				
a) Liabilities	<b>84.12</b>	167.85	<b>347.67</b>	7.38
b) Provisions	<b>14.85</b>	7.13	<b>10.22</b>	-
	<b>For the year ended 31st March 2009</b>	For the year ended 31st March 2008	<b>For the year ended 31st March 2009</b>	For the year ended 31st March 2008
<b>III INCOME</b>				
1 Sales ( Net of Excise Duty)	<b>469.80</b>	332.16	-	-
2 Other Income	<b>0.33</b>	12.82	-	-
<b>IV EXPENSES</b>				
1 Operating Expenses	<b>395.21</b>	284.07	-	-
2 Depreciation	<b>3.57</b>	2.02	-	-
3 Interest	<b>5.75</b>	2.66	-	-
4 Profit Before Taxation	<b>65.60</b>	56.23	-	-
5 Provision for Taxation (including deferred taxation & fringe benefit tax)	<b>10.04</b>	7.61	-	-
6 Profit after Tax	<b>55.56</b>	48.62	-	-
<b>V OTHER MATTERS</b>				
1 Contingent Liabilities	<b>1.00</b>	-	-	-
2 Capital Commitments	<b>1.78</b>	-	<b>683.04</b>	18.13

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

	Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
	2008-09	2007-08	2008-09	2007-08
Opening Balance of Reserves	<b>51.81</b>	3.19	-	-
Add : Group share of Profits for the year	<b>55.56</b>	48.62	-	-
Closing Balance of Reserves	<b>107.37</b>	51.81	-	-

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



## DIRECTORS' REPORT

To  
The Members of

### SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED

Your Directors have pleasure in presenting the Second Annual Report of the Company and the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2009.

#### FINANCIAL HIGHLIGHTS

(Rs. in Thousands)

PARTICULARS	YEAR 2008-2009	YEAR 2007-2008 (Period 27/02/08 – 31/03/08)
Income ( net of service tax)	1,050	350
Other Income	3	-
Total Income	1,053	350
Operating Expenditure	977	67
Profit before Interest, Depreciation, Amortization & Tax	76	283
Interest	-	-
Profit after interest and before Depreciation, Amortization & Tax	76	283
Miscellaneous Exp Written off	6	6
Depreciation	5	-
Profit before Taxes	65	277
Provision for Taxes	25	88
Profit after Tax	40	189
Balance brought forward from Previous Year	189	-
Balance carried to Balance Sheet	229	189

#### OPERATING RESULTS AND BUSINESS

Your Company has been promoted by 'Shivalik Bimetal Controls Limited', a listed company engaged in the business of manufacturing Thermostatic Bimetal / Trimetal and other Clad Materials, and has 100% Shareholding in the Company.

In the Second year of operations, the company has achieved a total income (net of service tax) of Rs. 10.53 Lacs and a profit after tax of Rs. 0.40 Lacs.

The Company is exploring various business options to have better operating margins with broadened customer base.

The Directors are confident of achieving better results during the current year.

#### PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit under section 58A of the Companies Act, 1956.

#### DIRECTORS

Mr. S. S. Sandhu is to retire by rotation and being eligible offers himself for re-appointment.

The Company has received a notice in writing, along with requisite deposit, from 'Shivalik Bimetal Controls Limited', a member, under Section 257 of the Companies Act, 1956, of its intention to propose Mr. N. S. Ghumman to be appointed as a Director of the Company, in the ensuing Annual General Meeting.

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year 2008-2009, the applicable accounting standards have been followed and there are no material departures;
- appropriate accounting policies have been selected in consultation with the statutory auditors and applied them consistently and made judgment and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2009 and of the Profit of the Company for the year ended 31<sup>st</sup> March, 2009;
- proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going-concern basis.

#### AUDITORS

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

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

The particulars prescribed under clause (e) of subsection (1) of section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 are given in the Annexure to this report.

**PARTICULARS OF EMPLOYEES**

There was no employee whose remuneration exceeds Rs. 2.00 lacs per month (24.00 Lacs p.a.) during the financial year ended 31st March, 2009 as per section 217 2(A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**AKNOWLEDGMENTS**

The Directors wish to thank the management of the Holding Company, i.e., Shivalik Bimetal Controls Limited for the support received at all levels.

For and on behalf of the Board of Directors

Sd/-  
(D.J. S. Sandhu)  
Director

Sd/-  
(S. S. Sandhu)  
Director

Place: New Delhi

Date : August 20, 2009

**ANNEXURE TO THE DIRECTORS' REPORT**

**Information forming part of Directors' Report u/s 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.**

a. Conservation of Energy

The Company is in service sector and its operations are not energy-intensive. However, it still lays emphasis on conservation of energy and the Company's facilities have been designed in such a way so as to minimize the use of energy. To give thrust on energy conservation, optimum utilization of natural light is focused on and energy saving lights and devices are fitted in where ever necessary and feasible. The energy saving potentials are being continuously explored.

b. Research & Development

Since business and technologies are changing constantly, investment in research and development activities is of paramount importance. Your Company shall focus on providing quality technical/engineering services.

c. Technology Absorption NIL

d. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings Rs. NIL

Foreign Exchange Outgo Rs. NIL



## AUDITORS' REPORT

To

The Members of

**SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of Shivalik Bimetal Engineers Private Limited as at 31st March, 2009, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Being a Private Limited Company, the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, is not applicable to the Co.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. On the basis of the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
    - b) In the case of the Profit & Loss Account, of the profit for the year ended on that date; and
    - c) In the case of Cash Flow statement, of the Cash Flows for the year ended on that date.

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

-Sd-

**SURESH MALIK**  
Proprietor  
M. No. 080493

Place : New Delhi  
Date : August 20, 2009

# SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED

## Balance Sheet as at 31st March, 2009



	Schedule	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	A	100,000	100,000
Share Application Money		450,000	450,000
Reserves & Surplus	B	228,812	189,231
<b>Loan Funds</b>			
Unsecured Loan	C	-	38,991
Deferred Tax Liability	D	5,763	-
	TOTAL	784,575	778,222
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	E	39,978	-
Less: Depreciation		4,860	-
Net Block		35,118	-
<b>Current Assets , Loans &amp; Advances</b>			
Sundry Debtors	F	575,367	352,754
Cash and Bank Balances		184,172	554,900
Loans & Advances		215,118	41,742
		974,657	949,396
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	G	129,030	107,217
Provisions		115,024	89,096
		244,054	196,313
<b>Net Current Assets</b>		730,603	753,083
<b>Miscellaneous Expenditure</b>			
( To the extent not written off or adjusted )	H	18,854	25,139
	TOTAL	784,575	778,222

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

As per our report of even date

**For MALIK S & CO.**

Chartered Accountants

Sd/-  
SURESH MALIK  
Proprietor  
M.No. 080493

Place : New Delhi  
Date : August 20, 2009

For and on behalf of the Board

Sd/-  
(S.S. SANDHU)  
Director

Sd/-  
(D.J.S. SANDHU)  
Director

**SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED**  
**Profit and Loss Account for the year ended 31st March, 2009**



Schedule	Year ended on 31st March 2009 Rupees	Period ended on 31st March 2008 Rupees
<b>INCOME</b>		
Technical Consultancy Services	1,050,000	350,000
Other Income	3,475	-
TOTAL	<u>1,053,475</u>	<u>350,000</u>
<b>EXPENDITURE</b>		
Salary, Wages & Other Amenities	905,818	53,817
Professional & Consultancy Charges	30,000	-
Audit Fee	10,000	10,000
Travelling & Conveyance Expenses	25,063	-
Telephone Expenses	3,200	-
Other Expenses	2,905	2,667
Depreciation	4,860	-
Miscellaneous Expenses Written off	6,285	6,285
TOTAL	<u>988,131</u>	<u>72,769</u>
<b>Profit before Tax</b>	<b>65,344</b>	<b>277,231</b>
Provision For Taxation		
-Current Tax	18,000	88,000
-Deferred Tax Liability/(Assets)	5,763	-
-Fringe Benefit Tax	2,000	-
<b>Profit after Tax</b>	<b>39,581</b>	<b>189,231</b>
Profit Brought Forward	189,231	-
Balance Carried to Balance Sheet	<u>228,812</u>	<u>189,231</u>
<b>Basic and Diluted Earnings per Share (Rs.)</b>	<b>3.96</b>	<b>18.92</b>

Significant Accounting Policies and Notes to Accounts "Schedule I"  
 The Schedules referred to herein form an integral Profit & Loss Account.

As per our report of even date

**For MALIK S & CO.**

Chartered Accountants

Sd/-  
 SURESH MALIK  
 Proprietor  
 M.No. 080493

Sd/-  
 (S.S. SANDHU)  
 Director

For and on behalf of the Board

Sd/-  
 (D.J.S. SANDHU)  
 Director

Place : New Delhi  
 Date : August 20, 2009

# SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2009



	Year Ended on 31st March, 2009 Rupees	Period ended on 31st March, 2008 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	65,344	277,231
<b>Adjustment for :</b>		
Depreciation	4,860	-
Miscellaneous Expenditure Written off	6,285	6,285
Gratuity & Leave Encashment	5,928	1,096
Interest Received	(3,475)	-
<b>Operating Profit before Working Capital Changes</b>	<b>78,942</b>	<b>284,612</b>
<b>Adjustment for :</b>		
Trade Receivables	(222,613)	(352,754)
Loans and Advances	(86)	(41,742)
Trade Payables & Other Liabilities	21,813	107,217
<b>Cash generated from Operations</b>	<b>(121,944)</b>	<b>(2,667)</b>
Direct Taxes Paid	(173,290)	-
<b>Net Cash from Operating Activities</b>	<b>(295,234)</b>	<b>(2,667)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(39,978)	-
Preliminary Expenses	-	(31,424)
Interest Received	3,475	-
<b>Net Cash used in / from Investing Activities</b>	<b>(36,503)</b>	<b>(31,424)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Equity Share Capital/Share Application Money	-	550,000
Proceeds from Bank Borrowings	-	-
Loans	(38,991)	38,991
<b>Net Cash used in / from Financing Activities</b>	<b>(38,991)</b>	<b>588,991</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	<b>(370,728)</b>	<b>554,900</b>
Cash and Cash Equivalent as on 1st April 2008 (Opening Balance)	<b>554,900</b>	-
Cash and Cash Equivalent as on 31st March 2009 (Closing Balance)	<b>184,172</b>	554,900
Cash and Cash Equivalent as on 31st March 2009 (As per Books)	<b>184,172</b>	554,900

As per our report of even date

**For MALIK S & CO.**

Chartered Accountants

Sd/-  
SURESH MALIK  
Proprietor  
M.No. 080493

Place : New Delhi

Date : August 20, 2009

For and on behalf of the Board

Sd/-  
(S.S. SANDHU)  
Director

Sd/-  
(D.J.S. SANDHU)  
Director

## Schedules Forming part of the Balance Sheet as at 31st March, 2009

	As At 31st March 2009 Rupees	As At 31st March 2008 Rupees
<b>SCHEDULE 'A' SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,00,000 Equity Shares (Previous year 1,00,000 Equity Shares) of Rs. 10/- each	<u>1,00,000</u>	<u>1,00,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
10,000 Equity Shares (Previous year 10,000 Equity Shares) of Rs. 10/- each, Fully Paid-up	<u>100,000</u>	<u>100,000</u>
<b>SCHEDULE 'B' RESERVES &amp; SURPLUS</b>		
<b>Profit &amp; Loss Account</b>		
Balance carried forward	<u>228,812</u>	<u>189,231</u>
<b>SCHEDULE 'C' UNSECURED LOANS</b>		
Shivalik Bimetal Controls Limited	<u>-</u>	<u>38,991</u>
	<u>-</u>	<u>38,991</u>
<b>SCHEDULE 'D' DEFERRED TAX LIABILITY/(NET)</b>		
<b>Deferred Tax Liabilities:</b>		
Depreciation	5,910	-
<b>Less: Deferred Tax Assets:</b>		
Employee's Benefits	<u>147</u>	<u>-</u>
	<u>5,763</u>	<u>-</u>





### SCHEDULE E: FIXED ASSETS

Particulars	COST				DEPRECIATION				NET BLOCK	
	As at 01.04.08	Additions	Sale/Transfer during the Period	As at 31.03.09	As at 1.04.2008	During Financial Year 2008-09	Adjustment During the Year	UPTO 31.03.09	AS AT 31.03.09	As at 31.03.08
Office Equipment & Appliances	-	39,978	-	<b>39,978</b>	-	4,860	-	4,860	35,118	-
<b>TOTAL (Rs.)</b>	-	39,978	-	<b>39,978</b>	-	4,860	-	4,860	35,118	-

### SCHEDULE F: CURRENT ASSETS, LOANS & ADVANCES

#### CURRENT ASSETS

##### SUNDRY DEBTORS

(Unsecured - Considered Goods)

Debts outstanding - exceeding six months

Other Debts

##### CASH AND BANK BALANCES

Cash in Hand

In Current Account with Punjab National Bank

##### LOANS & ADVANCES

(Unsecured - Considered Good)

Advances Recoverable in cash or in kind or for value to be received

### SCHEDULE G: CURRENT LIABILITIES AND PROVISIONS

#### CURRENT LIABILITIES

##### SUNDRY CREDITORS

Due to Micro, Small and Medium Enterprises

Others

Other Liabilities

##### PROVISIONS

Income Tax

Fringe Benefit Tax

Employees' Benefits

**Total**

### SCHEDULE H: MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary Expenses

Less: Expenses Written off

### SCHEDULE I: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Preparation of Financial Statements

The Financial statements have been prepared under the historical cost convention, on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles and comply with mandatory accounting standards as notified under the said Companies (Accounting Standards) Rules, 2006 and in accordance with the presentational requirements of the Companies Act, 1956.

##### 2. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

##### 3. Cash Flow Statement

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





5. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". As per Information available with the Company amount overdue at the year end on account of principal amount together with interest is Nil.

6. **Payments to Auditors'**

	Year Ended 31-03-2009	Period Ended 31-03-2008
Audit Fees	Rs. 11,030	Rs. 11,236

7. **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:

Sr. No.	Particulars	2008-09	2007-08
(a)	Employer's Contribution to Provident Fund	17,804	731
(b)	Employer's Contribution to Pension Scheme	20,588	1,668

**(II) Defined Benefit Plan**

- (a) Gratuity  
 (b) Leave Encashment

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

Particulars	2008-09		2007-08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	7.50%	7.50%	8.00%	8.00%
Rate of escalation in Salary (per annum)	5.00%	5.00%	5.50%	5.50%
Expected Rate of return on plan assets (per annum)	-	-	-	-

Particular	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2008-09	2007-08	2008-09	2007-08
<b>(a) Changes in Present Value of Obligation</b>				
Opening balance of Present value of obligation	545	-	551	-
Interest Cost	-	-	-	-
Current Service Cost	6002	545	-	551
Benefits Paid	-	-	-	-
Actuarial (Gain)/Loss on Obligation	-	-	(74)	-
Closing Balance of Present value of obligation	6547	545	477	551
<b>(b) Changes in Fair Value of Plan Assets</b>				
Opening balance of Fair Value of Plan Assets	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Employer's Contribution	-	-	-	-
Benefits paid	-	-	-	-
Actuarial Gain/ (Loss) on Plan Assets	-	-	-	-
Closing balance of Fair value of Plan Assets	-	-	-	-
Actual return on Plan Assets	-	-	-	-



Particular	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2008-09	2007-08	2008-09	2007-08
<b>(c) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets</b>				
Closing Balance of Present Value of Obligation	6547	545	477	551
Closing Balance of Fair Value of Plan Assets	-	-	-	-
(Asset)/ Liability recognised the Balance Sheet	6547	545	477	551
<b>(d) Amount Recognised in the Balance Sheet</b>				
Closing Balance of Present Value of Obligation	6547	545	477	551
Closing Balance of Fair Value of Plan Assets	-	-	-	-
Funded (Asset)/ Liability recognised the Balance Sheet	-	-	-	-
Unfunded Liability recognised in the Balance Sheet	6547	545	477	551
<b>(e) Expenses recognised in the statement of Profit and Loss</b>				
Current Service Cost	6002	545	-	551
Interest Cost	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss recognised in the period	-	-	(74)	-
Expenses recognized in the statement of Profit and Loss	6002	545	(74)	551

8. The corresponding figures of previous period are for the part of the year and have been regrouped/rearranged wherever found necessary, to conform to this year's presentation.

9 **Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956**  
**Balance Sheet Abstract and Company's General Business Profile**

**I Registration Details**

Registration No. U29220DL2008PTC174607  
State Code No. 055  
Balance Sheet Date 31.3.2009

**II Capital Raised During the Year (Amount in Rupees Thousand)**

Public Issue ( Issue through the prospectus) -  
Rights Issue (including share premium) -  
Bonus Issue -  
Private Placement ( Firm allotment to the promoters and their Associates ) 100

**III Position of Mobilisation and Deployment of Funds (Amount in Rupees Thousand)**

Total Liabilities 785  
Total Assets 785  
**SOURCE OF FUNDS :**  
Paid-up Capital 100  
Share Application Money 450  
Reserves & Surplus 229  
Secured Loans -  
Unsecured Loans -  
Deferred Tax Liability 6  
**APPLICATION OF FUNDS :**  
Net Fixed Assets 35  
Investments -  
Net Current Assets 731  
Misc. Expenditure 19

**IV Performance of the Company (Amount in Rupees Thousand)**

Turnover 1,053  
Total expenditure 988  
Profit before Tax 65  
Profit after Tax 40  
Earning per share in Rs. 4  
Dividend Rate % 0%

**V Generic Name of Principal Product/ Services of the Company**

(As per Monetary Terms)  
Item Code No. 8711  
Product Description Engineering Services

**ATTENDANCE SLIP**

**SHIVALIK BIMETAL CONTROLS LIMITED**

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

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

Folio / Client ID No. :

Name and Address of the Shareholder

No. of Shares held: -----

I hereby record my presence at the **25th Annual General Meeting** of the Company held on Wednesday the 30th September, 2009 at Plot No. 16-18 New Electronics Complex, Chambaghat, Distt. Solan (H.P.) at 10.00 a.m.

Full Name of Proxy (in block letters)

Signature

(To be filled if the Proxy attends instead of Members)

Signature of Shareholder or Proxy\*

\*Strike out whichever is not applicable

Tear Here

**PROXY FORM**

**SHIVALIK BIMETAL CONTROLS LIMITED**

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

Folio / Client ID No. :

Name of Shareholder : -----

I/We.....

of.....being a member / members

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

of .....

or failing him ..... of .....

as my/our proxy to vote for me/us and on my/our behalf at the **25th Annual General Meeting** of the Company to be held on Wednesday the 30th September, 2009 at Plot No. 16-18 New Electronics Complex, Chambaghat, Distt. Solan (H.P.) at 10.00 a.m. or at any adjournment thereof.

Signed this.....day of.....2009

Affix a Revenue Stamp of Rs. 1.00

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



**Head Office** : H-2, Suneja Chambers, 2nd floor, Alaknanda Commercial Complex, New Delhi - 110019 ( INDIA )  
Ph: 91-11-26027174, 26028175, 26026362, 26022538 Fax : 91- 11- 26026776, 26020806  
Email : shivalik@shivalikbimetals.com Website : www.shivalikbimetals.com  
**Secretarial/Investor Department's E-mail** : investor@shivalikbimetals.com

**Plant & Regd. Office** : 16 - 18, New Electronics Complex, Chambaghat, District Solan - 173213 ( H.P. ) ( INDIA )  
Ph : 91 - 1792 - 230578, 230175, 230243, 230566 Fax : 91 - 1792 - 230475 Email : nsghumman@satyam.net.in