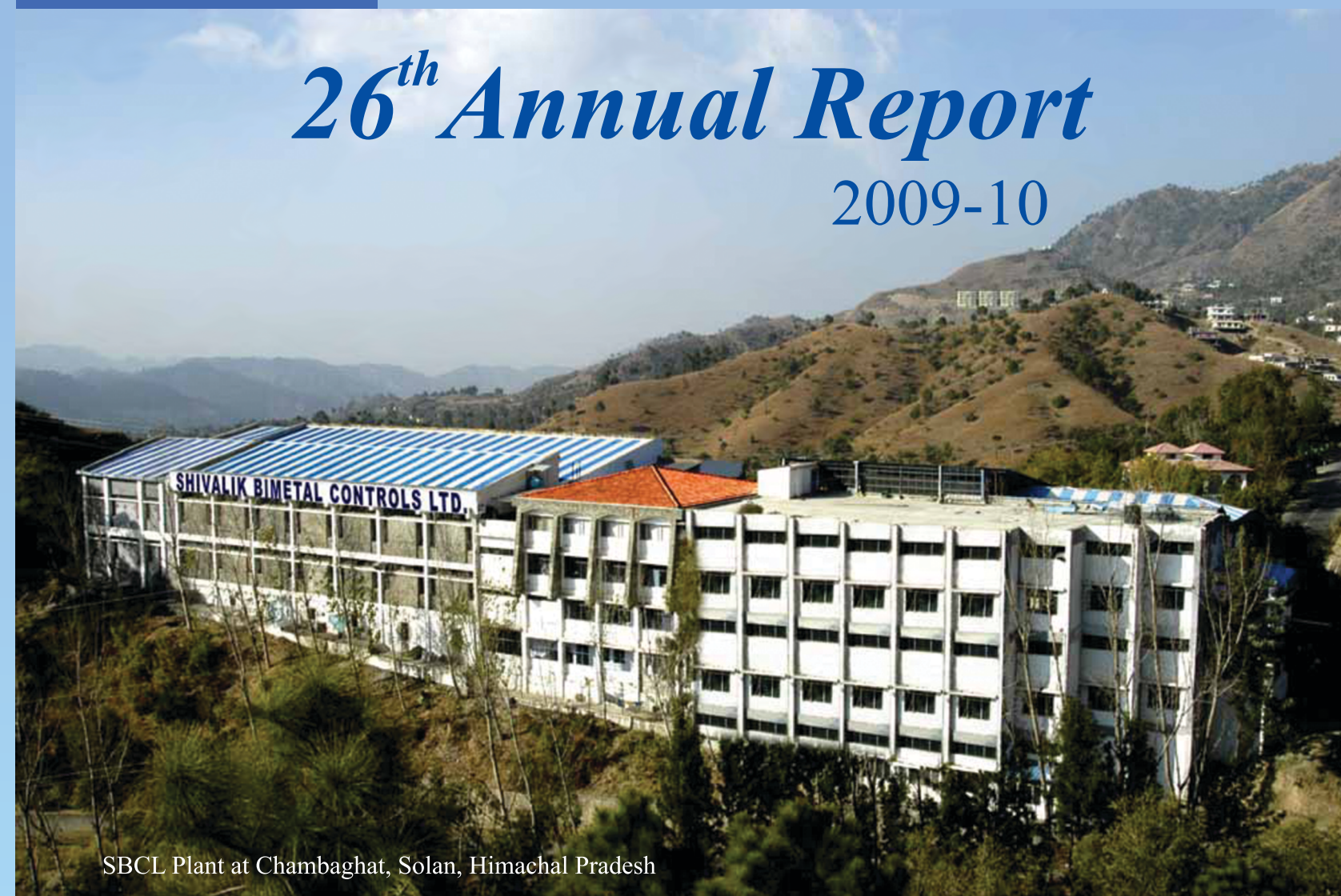




SHIVALIK BIMETAL CONTROLS LIMITED

26th Annual Report 2009-10



SBCL Plant at Chambaghat, Solan, Himachal Pradesh

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SHIVALIK BIMETAL CONTROLS LIMITED



BOARD OF DIRECTORS

S.S. Sandhu
Chairman

N.S. Ghumman
Managing Director

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

S.C. Verma	Director
A.K. Sud	Director
Rohit Kapur	Director
G.S. Gill	Director
N.J.S. Gill	Director
G.C. Prabhu	Director

K.S. Negi
CFO-Corporate

Pooja Hiranandani
Company Secretary

Auditors :

Malik S & Co.
Chartered Accountants
New Delhi

Bankers :

Indian Bank

Registrar & Transfer Agent

M/s MAS Services Ltd.
T – 34, IInd Floor,
Okhla Industrial Area, Phase – II,
New Delhi-110020
Tel. No.- (91) (11) 26387281, 26387282
Fax - (91) (11) 26387284
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-110019

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NOTICE TO THE MEMBERS



NOTICE is hereby given that the 26th Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Friday, the 24th day of September, 2010 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, 2010, 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 2009-10.**
3. **To appoint a Director in place of Shri Anil K. Sud, who retires by rotation and being eligible offers himself for re-appointment.**
4. **To appoint a Director in place of Shri Rohit Kapur, who retires by rotation and being eligible offers himself for re-appointment.**
5. **To appoint Auditors and fix their remuneration.**

SPECIAL BUSINESS:

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

“RESOLVED THAT, in accordance with the provisions of the section 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approval and which may be agreed to and accepted by the Board of Directors of the Company and Shri N. S. Ghumman, Managing Director of the Company, consent of the Company be and is hereby accorded for the increase in the remuneration of Shri N. S. Ghumman, Managing Director of the Company, from the present level of Rs. 3,00,000/- per month to Rs. 3,60,000/- per month w.e.f. 1st April, 2010 for a period of one year upto and including 31st March, 2011, and on account of assignment of Key Man Insurance Policies with surrender values not exceeding Rs. 194.00 Lacs in aggregate, on the following terms and conditions:-

A. SALARY:

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

B. HOUSING:

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

OR

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

C. PERQUISITES:

- a. Medical Reimbursement: - Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

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

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

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

"RESOLVED THAT, in accordance with the provisions of the section 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approval and which may be agreed to and accepted by the Board of Directors of the Company and Shri S. S. Sandhu, Chairman and Whole Time Director of the Company, consent of the Company be and is hereby accorded for the increase in the remuneration of Shri S. S. Sandhu, Chairman and Whole Time Director of the Company, from the present level of Rs. 3,00,000/- per month to Rs. 3,60,000/- per month w.e.f. 1st April, 2010 for a period of one year upto and including 31st March, 2011, and on account of assignment of Key Man Insurance Policies with surrender values not exceeding Rs. 178.00 Lacs in aggregate, on the following terms and conditions:-

A. SALARY:

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

B. HOUSING:

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

OR

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

C. PERQUISITES:

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

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

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

"RESOLVED THAT, in accordance with the provisions of the section 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approval and which may be agreed to and accepted by the Board of Directors of the Company and Shri D. J. S. Sandhu, Deputy Managing Director of the Company, consent of the Company be and is hereby accorded for the increase in the remuneration of Shri D. J. S. Sandhu, Deputy Managing Director of the Company, from the present level of Rs. 2,50,000/- per month to Rs. 3,00,000/- per month w.e.f. 1st April, 2010 for a period of one year upto and including 31st March, 2011, and on account of assignment of Key Man Insurance Policies with surrender values not exceeding Rs. 148.50 Lacs in aggregate, on the following terms and conditions:-

A. SALARY:

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

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

B. HOUSING:

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

OR

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

C. PERQUISITES:

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

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

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

"RESOLVED THAT pursuant to section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relative (Office or Place of Profit) Rules, 2003, or any amendment or substitution thereof and subject to the approval of the Central Government, consent of the Company be and is hereby accorded for increase in the remuneration of Shri Angad Sandhu, a relative of Shri S. S. Sandhu, Chairman & Whole Time Director of the Company, for holding and continue to hold office or place of profit in the Company as Business Development Manager, from Rs. 4,80,000/- per annum to Rs. 6,00,000/- per annum, w.e.f. 1st January, 2011 or from such date as the Central Government may approve, on the following terms and conditions:

- (i) Salary : Rs. 6,00,000/- per annum, with a provisions for increase in salary of not more than 20 % per annum over the previous year.

- (ii) Such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to make and submit applications to the Central Government or any other statutory authority as may be required, settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds and things and sign and execute all documents or writings as may be necessary, proper and expedient for the purpose of giving effect to this resolution including such modifications, where necessary, to the above terms of remuneration as the Central Government may suggest or require while granting approval."

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

"RESOLVED THAT pursuant to section 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956 read with Directors' Relative (Office or Place of Profit) Rules, 2003, or any amendment or substitution thereof and subject to the approval of the Central Government, consent of the Company be and is hereby accorded for increase in the remuneration of Shri Kanav Anand, a relative of Shri D. J. S. Sandhu, Deputy Managing Director of the Company, for holding and continue to hold office or place of profit in the Company as Assistant General Manager (Marketing), from Rs. 5,16,000/- per annum to Rs. 6,36,000 /- per annum, w.e.f. 1st January, 2011 or from such date as the Central Government may approve, on the following terms and conditions:

- (i) Salary : Rs. 6,36,000/- per annum, with a provisions for increase in salary of not more than 20 % per annum over the previous year.
- (ii) Such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to make and submit applications to the Central Government or any other statutory authority as may be required, settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds and things and sign and execute all documents or writings as may be necessary, proper and expedient for the purpose of giving effect to this resolution including such modifications, where necessary, to the above terms of remuneration as the Central Government may suggest or require while granting approval."

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

"RESOLVED THAT pursuant to section 314 (1)(b) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the appointment of Brig. J. M. Singh (Retd.), a relative of Shri N. S. Ghumman, Managing Director of the Company, to hold an office or place of profit as Executive Director (now designated as Chief - HR & Administration w.e.f. 27th July, 2010) of the Company with effect from 1st August, 2009, on a remuneration of Rs. 40,000/- per month plus other perquisites and benefits as per Rules of the Company."

"RESOLVED FURTHER THAT the action of the Company for giving its consent to the appointment of Brig. J. M. Singh (Retd.) as Executive Director and for having made the payment of remuneration of Rs. 40,000/- per month w.e.f. 1st August, 2009 be and is hereby taken on record and ratified."

Place : New Delhi
Date : August 17, 2010

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 20.09.2010 to 24.09.2010 (both days inclusive) for the purpose of Annual General Meeting.
6. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants with whom the members are maintaining their demat accounts.
7. Members holding shares in physical form are advised to send all the requests regarding share transfer and correspondence in relation to share matters to the Company's Registrar and Share Transfer Agent (RTA) at the following address:

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

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

8. Members desirous of obtaining any information relating to accounts and operations of the Company may address their queries / questions to the Company's Head Office, so as to reach at least five days before the date of the meeting so that the information may be made available at the meeting to the best extent possible.
9. All documents referred to in the accompanying notice and the explanatory statements are available at the Registered Office of the Company.
10. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
11. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

Annexure to Notice

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

ITEM NO. 6, 7 AND 8

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

General Information

The Company is engaged in manufacturing activities of thermostatic bimetal / trimetal strips and other clad materials. The plant was commissioned in October 1986 and has been in commercial production since then. The Company has made steady growth all around and has established its niche in Domestic as well as International market.

There has been an increase of 5.45 % in sales and other income during the FY 2009-10 as compared to FY 2008-09. The Company achieved sales and other income of Rs. 7,908.36 lacs during the FY 2009-10 as compared to Rs. 7,499.47 lacs during the FY 2008-09.

The total foreign exchange earned by the Company as on 31st March 2010 comes to Rs. 1944.76 lacs and the total foreign exchange spent by the Company during the same period aggregate to a sum of Rs. 2,885.06 lacs.

A 100% subsidiary company named Shivalik Bimetal Engineers Pvt. Ltd. (SBEPL) was incorporated on 27th February, 2008 for providing Technical and Engineering Service. During the financial year 2009-10, SBEPL has earned total income of Rs. 0.35 lacs (Net of Service Tax) from providing Technical & Engineering Services.

The Joint Venture Company named Checon Shivalik Contact Solutions Pvt. Ltd. has achieved sales and other income of Rs. 586.40 lacs during the FY 2009-10 as compared to Rs. 918.99 lacs during the FY 2008-09. The Company's investment in the said Joint Venture Company stands at Rs. 118.95 lacs as on 31.03.2010.

The Joint Venture Company named Innovative Clad Solutions Pvt. Ltd. (ICS) in which your Company has 33.33 % share has set up manufacturing unit at Pithampur, District Dhar in Madhya Pradesh, India for manufacturing Industrial Clad Products and has commenced its commercial production w.e.f. 02.02.2010 in the FY 2009-10. During the period of operations from 02.02.2010 to 31.03.2010, ICS has achieved sales and other income of Rs. 13.97 Lacs resulting into loss of Rs. 184.16 Lacs. The Company's investment in the said Joint Venture Company stands at Rs. 827.00 lacs as at 31.03.2010.

Other information

The Company's PBT and PAT for year ended 31st March 2010 are Rs. 691.24 lacs & Rs. 510.90 lacs as against Rs. 409.09 lacs & Rs. 400.70 lacs for the year ended 31st March 2009 respectively. However, while determining net profits in the manner laid down in section 349, the overall managerial remuneration payable under the provisions of section 198 read with the provisions of section 309 of the Companies Act, 1956 exceeds the limit prescribed therein.

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

The Company is making all out efforts to increase the capacity utilization, productivity and profitability of the Company.

Disclosure

The Company through this notice is informing the shareholders of the Company regarding assignment of Keyman Insurance Policies (KMIPs) and increase in the remuneration packages of Shri N. S. Ghumman, Managing Director, from Rs. 3.00 lacs to Rs. 3.60 lacs per month, Shri S. S. Sandhu, Chairman and Whole-time Director from Rs. 3.00 lacs to Rs. 3.60 lacs per month and Shri D. J. S. Sandhu, Deputy Managing Director from Rs. 2.50 lacs to Rs. 3.00 lacs per month w.e.f. 1st April 2010 for a

period of 1 year, with authority to the Board of Directors of the Company to give annual increments, for a period of 3 years, not exceeding 20 % of the immediately previously drawn salary and payable in twelve (12) equal monthly installments.

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

Information about Shri N. S. Ghumman, Managing Director

Shri N. S. Ghumman, Managing Director of the Company has been drawing a remuneration of Rs. 3,00,000/- per month plus other perquisites w.e.f. 1st April 2008. Now the Company intends to increase his remuneration to the extent Rs. 3,60,000/- per month for a period of 1 years i.e. from 1st April 2010 to 31st March 2011, with annual increments of not exceeding 20 % of the immediately previously drawn salary, payable in twelve (12) equal monthly installments for each of the financial years 2011-12 & 2012-13, as a Managing Director of the Company.

The Board has made a reference to the Remuneration Committee to consider the increase in the remuneration and assignment of 3 Key Man Insurance Policies, taken on the life of the Managing Director of the Company, to Shri N. S. Ghumman, as on assignment of KMIPs, the surrender value of KMIPs will be regarded as managerial remuneration and will be included as emoluments of Shri N. S. Ghumman for the financial year 2010-2011 in which such assignment takes place, which will exceed the aggregate limits of remunerations payable to all the directors of the company as provided in Schedule XIII of the Companies Act, 1956.

The Remuneration Committee in its meeting held on 14th December, 2009 has since approved the increase in the remuneration payable to Managing Director from Rs. 3,00,000/- to Rs. 3,60,000/- per month for a period of 1 years w.e.f. 1st April 2010, with annual increments of not exceeding 20 % of the immediately previously drawn salary, payable in twelve (12) equal monthly installments, for a period of 3 years, in recognition of his dedicated hard work and contribution, subject to approval of the shareholders in the forthcoming General Body Meeting and approval of Central Government.

The Remuneration Committee also approved the assignment of 3 Key Man Insurance Policies, taken on the life of Shri N. S. Ghumman, with surrender value of not exceeding Rs. 194.00 Lacs in the financial year 2010-2011, in which such assignment takes place.

Further, the Company has made application to the Central Government for its approval for revision in remuneration of Shri N. S. Ghumman, Managing Director of the Company, as per the accompanying Notice.

Shri N. S. Ghumman, is a Graduate Engineer BE (Hons.). He is the promoter of the Company and has been the Managing Director of the Company since its inception. He has experience spread over 38 years in the field of Corporate, Financial Management, Administration, International Business and other Commercial Areas. He being a technical person is also responsible for production and technical related aspects. Prior to becoming Promoter-Director of the Company, he was the Chief Engineer in M/s Tradex Gestion SA General of Switzerland. During his tenure the company has diversified in many fields.

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

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

The proposed increase in the remuneration payable to Shri N. S. Ghumman is commensurate with his high professional qualification; vast experience gained in the industry and is in line with the industry standards, size of the Company, profile of the position prevalent in the Indian region. Shri N. S. Ghumman is a relative of Shri S. S. Sandhu, Chairman and Whole-time

Director and Shri D. J. S. Sandhu, Deputy Managing Director of the Company. Shri N. S. Ghumman has pecuniary relationship with the Company directly or indirectly to the extent of his managerial remuneration only.

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

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

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

Shri S. S. Sandhu, Chairman and Whole-time Director of the Company has been drawing a remuneration of Rs. 3,00,000/- per month plus other perquisites w.e.f. 1st April 2008. Now the Company intends to increase his remuneration to the extent Rs. 3,60,000/- per month for a period of 1 years i.e. from 1st April 2010 to 31st March 2011, with annual increments of not exceeding 20 % of the immediately previously drawn salary, payable in twelve (12) equal monthly installments for each of the financial years 2011-12 & 2012-13, as a Chairman and Whole-time Director of the Company.

The Board has made a reference to the Remuneration Committee to consider the increase in the remuneration and assignment of 3 Key Man Insurance Policies, taken on the life of the Chairman and Whole-time Director of the Company, to Shri S. S. Sandhu, as on assignment of KMIPs, the surrender value of KMIPs will be regarded as managerial remuneration and will be included as emoluments of Shri S. S. Sandhu for the financial year 2010-2011 in which such assignment takes place, which will exceed the aggregate limits of remunerations payable to all the directors of the company as provided in Schedule XIII of the Companies Act, 1956.

The Remuneration Committee in its meeting held on 14th December, 2009 has since approved the increase in the remuneration payable to Chairman and Whole-time Director from Rs. 3,00,000/- to Rs. 3,60,000/- per month for a period of 1 years w.e.f. 1st April 2010, with annual increments of not exceeding 20 % of the immediately previously drawn salary, payable in twelve (12) equal monthly installments, for a period of 3 years, in recognition of his dedicated hard work and contribution, subject to approval of the shareholders in the forthcoming General Body Meeting and approval of Central Government.

The Remuneration Committee also approved the assignment of 3 Key Man Insurance Policies, taken on the life of Shri S. S. Sandhu, with surrender value of not exceeding Rs. 178.00 Lacs in the financial year 2010-2011, in which such assignment takes place.

Further, the Company has made application to the Central Government for its approval for revision in remuneration of Shri S. S. Sandhu, Chairman and Whole-time Director of the Company, as per the accompanying Notice.

Shri S. S. Sandhu is an Arts Graduate. He was appointed a Director of SHIVALIK in July, 1984. He is one of the Promoter Director of the Company and at present, is a Whole-time Director and Executive Chairman of the Company. He has over 38 years experience in electronics industry. He is responsible for corporate, secretarial, legal, finance and managerial functions of the Company. He is also looking after all the commercial (domestic and international), financial and administrative functions of the Company. Shri S. S. Sandhu with his vast experience has developed good understanding of the business of the Company. Under his exceptional understanding of the business principles, the Company is continuously expanding its aspirations.

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

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

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

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

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

Shri D. J. S. Sandhu, Deputy Managing Director of the Company has been drawing a remuneration of Rs. 2,50,000/- per month plus other perquisites w.e.f. 1st April 2008. Now the Company intends to increase his remuneration to the extent Rs. 3,00,000/- per month for a period of 1 years i.e. from 1st April 2010 to 31st March 2011, with annual increments of not exceeding 20 % of the immediately previously drawn salary, payable in twelve (12) equal monthly installments for each of the financial years 2011-12 & 2012-13, as a Deputy Managing Director of the Company.

The Board has made a reference to the Remuneration Committee to consider the increase in the remuneration and assignment of 2 Key Man Insurance Policies, taken on the life of the Deputy Managing Director of the Company, to Shri D. J. S. Sandhu, as on assignment of KMIPs, the surrender value of KMIPs will be regarded as managerial remuneration and will be included as emoluments of Shri D. J. S. Sandhu for the financial year 2010-2011 in which such assignment takes place, which will exceed the aggregate limits of remunerations payable to all the directors of the company as provided in Schedule XIII of the Companies Act, 1956.

The Remuneration Committee in its meeting held on 14th December, 2009 has since approved the increase in the remuneration payable to Deputy Managing Director from Rs. 2,50,000/- to Rs. 3,00,000/- per month for a period of 1 years w.e.f. 1st April 2010, with annual increments of not exceeding 20 % of the immediately previously drawn salary, payable in twelve (12) equal monthly installments, for a period of 3 years, in recognition of his dedicated hard work and contribution, subject to approval of the shareholders in the forthcoming General Body Meeting and approval of Central Government.

The Remuneration Committee also approved the assignment of 2 Key Man Insurance Policies, taken on the life of Shri D. J. S. Sandhu, with surrender value of not exceeding Rs. 148.50 Lacs in the financial year 2010-2011, in which such assignment takes place.

Further, the Company has made application to the Central Government for its approval for revision in remuneration of Shri D. J. S. Sandhu, Deputy Managing Director of the Company, as per the accompanying Notice.

Shri D. J. S. Sandhu is a Science Graduate with specialisation in the fields of marketing and business administration. He had joined the Company in the year 1992 as an employee and was appointed a Director of SHIVALIK in April, 1996, and at present, is Deputy Managing Director of the Company. His career over the years has spanned various sales and marketing positions. He has a business experience of over 33 years to his credit particularly in the fields of Marketing, Customer Relations, etc.

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

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

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

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

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

ITEM NO. 9

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. He also attained metal alloy processing knowledge in bonding, rolling, stamping operations by working at the plant at Solan, Himachal Pradesh. He has joined Shivalik Bimetal Controls Limited on 1st February, 2007 as Mechanical Engineer and was made responsible for mechanical engineering aspects of the Company at plant.

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. Keeping in view his abilities, good exposure and experience, he has been promoted as Business Development Manager of the Company.

In the light of aforesaid explanation and justification, it is proposed to increase the remuneration of Shri Angad Sandhu, from Rs. 4,80,000/- per annum to Rs. 6,00,000/- per annum, w.e.f. 1st January, 2011 or from such date as the Central Government may approve, on the following terms and conditions:

- (i) Salary : Rs. 6,00,000/- per annum, with a provisions for increase in salary of not more than 20 % per annum over the previous year.
- (ii) Such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade.

The Board of Directors is authorized to accept such modifications in revised remuneration of Shri Angad Sandhu as may be imposed by Central Government while granting its approval.

Since he is son of Shri S. S. Sandhu, the Chairman and Whole-time Director of the Company and his proposed remuneration is in excess of the ceiling prescribed under section 314 of the Companies Act, 1956, approval of the shareholders is, therefore, sought by way of Special Resolution. Further, the payment of revised remuneration to Shri Angad Sandhu is subject to the approval of Central Government.

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

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

ITEM NO. 10

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

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

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

In the light of aforesaid explanation and justification, it is proposed to increase the remuneration of Shri Kanav Anand, from Rs. 5,16,000/- per annum to Rs. 6,36,000 /- per annum w.e.f. 1st January, 2011 or from such date as the Central Government may approve, on the following terms and conditions:

- (i) Salary : Rs. 6,36,000 /- per annum, with a provisions for increase in salary of not more than 20 % per annum over the previous year.
- (ii) Such other allowances, perquisites, benefits and amenities as applicable to the Company's Executives in the similar grade.

The Board of Directors is authorized to accept such modifications in revised remuneration of Shri Kanav Anand as may be imposed by Central Government while granting its approval.

Since, he is son-in-law of Shri D. J. S. Sandhu, Deputy Managing Director of the Company and his proposed remuneration is in excess of the ceiling prescribed under section 314 of the Companies Act, 1956, approval of the shareholders is, therefore, sought by way of Special Resolution. Further, the payment of revised remuneration to Shri Kanav Anand is subject to the approval of Central Government.

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

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

ITEM NO. 11

Brig. J. M. Singh (Retd.) has extensive experience in various fields and has many distinguished achievements to his credit. Your Directors are confident that his association with the Company will be very useful in strengthening the administrative set up, HRD cell and other areas of his specialization.

He was appointed as Executive Director w.e.f. 1st August, 2009 on remuneration of Rs. 40,000/- per month plus other perquisites and benefits as per Rules of the Company. Keeping in view his abilities and experience, he has been designated as Chief - HR & Administration w.e.f. 27th July, 2010.

Since he is a relative of Shri N. S. Ghumman, 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.

In the light of aforesaid explanation and justification, it is proposed to seek and ratify the appointment of Brig. J. M. Singh (Retd.) as Executive Director (now designated as Chief - HR & Administration w.e.f. 27th July, 2010) in the Company from 1st August, 2009. The remuneration proposed to be paid to Brig. J. M. Singh (Retd.) 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 N. S. Ghumman, Managing Director who is a relative of Brig. J. M. Singh (Retd.), 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)

Name of Director	Brief resume and nature of expertise in functional areas	List of Directorships/ Committees memberships as on 31st March 2010 in Other Companies
Shri Anil K. Sud	Shri Anil Kumar Sud is a Commerce Graduate and has vast business experience in various fields.	3
Shri Rohit Kapur	Shri Rohit Kapur is a qualified B.Com. (Hons.) and has rich experience in Processing industry and other related fields.	NIL

Dear Members,

Your Directors are pleased to present the 26th Annual Report and the Audited Accounts of the Company for the financial year ended 31st March, 2010.

SUMMARISED FINANCIAL RESULTS:

	Year 2009-10 (Rs. in Lacs)	Year 2008-09 (Rs. in Lacs)
Sales & Other income	7,908.36	7,499.47
Operating Expenditure	6,756.28	6,614.11
PBDIT	1,152.08	885.36
Interest	292.75	319.06
Depreciation	168.09	157.21
PBT	691.24	409.09
Provision for Taxes	180.34	8.39
PAT	510.90	400.70
Balance brought forward from Previous Year	1,867.66	1,818.05
Balance available for Appropriation	2,378.56	2,218.75
Appropriations:		
Interim Dividend	38.40	38.40
Proposed Final Dividend	48.00	48.00
Tax on Dividends	14.50	14.69
General Reserve	250.00	250.00
Balance carried to Balance Sheet	2,027.66	1,867.66

PERFORMANCE

During the year under review, the company's sales and other income increased to Rs. 7,908.36 Lacs from Rs. 7,499.47 Lacs in the previous year, at a growth rate of 5.45 % amidst extraordinary challenges of price volatility, demand reduction, general recession world over and stiff competition.

The Company earned Profit before interest, depreciation and tax (PBDIT) of Rs. 1,152.08 Lacs during the year under review as compared to Rs. 885.36 Lacs during previous financial year. During the current financial year, Profit before tax (PBT) of your company is Rs. 691.24 Lacs as compared to Rs. 409.09 Lacs of the previous financial year.

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

DIVIDEND

Your directors have recommended, 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 2009-10. The Final Dividend, if declared as above, would involve an outflow of Rs. 48.00 Lacs towards Dividend and Rs. 7.97 Lacs towards dividend tax, resulting in a total outflow of Rs. 55.97 Lacs.

During the year under review, your Directors had also declared and paid an interim dividend of Re. 0.20 per share on 1,92,01,400 equity shares of Rs. 2/- each.

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 250 Lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 2,027.66 Lacs is proposed to be retained in the Profit & Loss Account.

JOINT VENTURES

JOINT VENTURE WITH CHECON CORPORATION, USA

As reported by your directors in the last reports, the Joint Venture Company named Checon Shivalik Contact Solutions Pvt. Ltd. (CSCS) in which your company has 50% share has achieved Sales and other income of Rs. 586.40 Lacs during the financial year 2009-10 as compared to Rs. 918.99 Lacs during the financial year 2008-09. During the financial year 2009-10, the sales target of CSCS could not be achieved and correspondingly, the net profits have been declined. The major reason for decline in profits has been the global economic slowdown resulting into recession thereby affecting the bottom line for the year.

As part of continuous efforts in the direction of strengthening its manufacturing facilities, CSCS has set up 'UNIT – II' for manufacture of 'Electrical Contact and Electrical Contact Materials such as Silver Inlays and Bimetal / Solid Rivet Contacts'. CSCS has procured Bimetal Rivet making machine from Taiwan which is capable of manufacturing different types of Bimetal Rivets.

The Investment of your Company in Checon Shivalik Contact Solutions Pvt. Ltd. as on 31.03.10 stands at Rs. 118.95 Lacs (previous year Rs. 118.95 Lacs).

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 has set up manufacturing unit at Pithampur, District Dhar in Madhya Pradesh, India for manufacturing Industrial Clad Products and has commenced its commercial production w.e.f. 02.02.2010 in the FY 2009-10.

During the period of operations from 02.02.2010 to 31.03.2010, ICS has achieved sales and other income of Rs. 13.97 Lacs resulting into loss of Rs. 184.16 Lacs.

The commercial production started on 2nd February, 2010 and simultaneously the marketing operations were commenced, and the materials so produced have been sampled to the prospective consumer industries. The production will gradually increase as more and more customers complete the process of testing the indigenously produced samples.

The Investment of your Company in Innovative Clad Solutions Pvt. Ltd. as on 31.03.2010 stands at Rs. 827.00 Lacs.

SUBSIDIARY COMPANY

Shivalik Bimetal Engineers Pvt. Ltd. (SBEPL), the Wholly Owned Subsidiary of your Company earned a profit of Rs. 0.35 Lacs during the year under review. SBEPL has initiated action for setting up of Dies & Tools manufacturing facilities. The Balance Sheet of SBEPL, as at 31st March, 2010, 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. Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation

and meritocracy. Your 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

In accordance with the requirements of Companies Act, 1956 and Article 142 of the Articles of Association of the Company, Shri Anil K. Sud and Shri Rohit Kapur are to retire by rotation and being eligible offer themselves for re-appointment.

Brig. H. S. Sidhu (Retd.) resigned from the Board of Directors of the Company w.e.f. 22nd January, 2010. The Board places on record its appreciation for the valuable contribution made by Brig. H. S. Sidhu (Retd.) during his tenure as member of the Board.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by The Securities and Exchange Board of India (SEBI). Your Directors have implemented all the major stipulations prescribed and ensure its compliance in both spirit and law. 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 2009-10, 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, 2010 and of the Profit of the Company for the year ended 31st March, 2010;
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, 2010, is annexed to the Annual Accounts and form part of the Annual Report. The Consolidated Financial Statement has been prepared in accordance with the Accounting Standard AS - 21 on Consolidated Financial Statements read with Accounting Standard AS - 27 relating to Financial Reporting of Interests in Joint Venture, issued by The Institute of Chartered Accountants of India and shows the financial resources, assets, liabilities, Income, Profits and other details of the company, its subsidiary 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 the Company / our registrar / Depository Participants, if not already done earlier, for updating details of your Permanent Account Number (PAN). The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar.
- Transferee(s) to furnish copy of their PAN Card to the Company / RTA's for registration of transfer of shares, for securities market transactions and off- market / private transactions involving transfer of shares in physical form.
- Inform your Depository Participant to reactivate your account for credit actions. Frozen Demat accounts may lead to non-credit / delayed credit of securities allotted to your account.
- Update your address with Registrar / Depository Participants to ensure timely receipt of shareholder communication. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandate to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Share Transfer Agent, M/s MAS Services Limited.

ACKNOWLEDGEMENTS

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

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

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

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-

Place: New Delhi
Date: August 17, 2010

S.S. SANDHU
Chairman

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 31ST MARCH, 2010

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
Employed Throughout the Year									
1.	N. S. Ghumman	Managing Director	60 Yrs.	36,00,000	B.E. (Hons.)	38 Yrs.	18.6.1984	Chief Engineer Tradax Gestion Sa Geneva, Switzerland	1975
2.	S. S. Sandhu	Whole Time Director & Chairman	56 Yrs.	36,00,000	Graduate	38 Yrs.	11.07.1984	None	—
3.	D. J. S. Sandhu	Dy. Managing Director	52 Yrs.	30,00,000	B. Sc. (Hons.)	33 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

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

B. Technology Absorption:

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

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

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

RECOGNISED INHOUSE R&D UNIT

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

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

Research 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.
 - Shunt Material
- ii) Benefits derived as a result of the above R&D:

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

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

iv) Expenditure on R& D:

- | | |
|--------------|----------------|
| a. Recurring | Rs. 15.68 Lacs |
| b. Capital | Rs. Nil |
| Total | Rs. 15.68 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 development / product diversification.
- ii) Benefits derived as a result of the above R&D:
Products developed have found acceptance in domestic and international Markets. Commercialization of these products has started.
- iii) In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
- | | |
|---|---------|
| a) Technology imported | - NONE- |
| b) Year of Import | - N.A.- |
| c) Has technology been fully absorbed | - N.A.- |
| d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action. | - N.A.- |

C. Foreign Exchange Earning and Outgo:

	Rs. in Lacs
Earnings in Foreign exchange	1944.76
Expenditure in Foreign currency	2885.06

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:

The global economy is showing initial signs of stabilization. The pace of decline in economic activity in several major advanced economies has slowed, frozen credit markets have thawed and equity markets have begun to recover. Industrial activities are reviving in a number of emerging market economies (EMEs) such as China, Korea, Brazil and India. Notwithstanding some positive signs, the path and the time horizon for global recovery remain uncertain. Business and consumer confidence are yet to show definitive signs of revival. Against a decline of 0.6 % during the previous year, IMF projects world GDP to expand by 4.2 % during FY 2009-10. This momentum saw a wide divergence – a moderate revival for the developed world, but a notch faster for the emerging economics. As per recent World Bank estimates, combined GDP in developing countries will grow 6.4 % in CY 2010, after a modest 2.4 % rise in PY 2009.

The Indian economy experienced a significant slowdown in 2008-09 in comparison with the strong growth performance in the preceding five years, largely due to the knock-on effect of the global financial crisis. The worst hit has been the export sector, which has been recording negative growth since October 2008. This, in turn, impacted the manufacturing sector. The Indian economy, which had managed to emerge out of the global turmoil in the year 2008-09 relatively unharmed, witnessed a quick rebound in the year 2009-10.

The growth story for India has always looked robust compared to its peers, given the long-term dynamics in its favour. India, in the midst of a severe global recession, could still contain the moderation in growth, preserve financial stability and ensure normal functioning of the markets. The macroeconomic policy framework of India and the approach to regulation and supervision of financial institutions and markets clearly contributed to soften the impact of the global financial crisis on the domestic economy. In a globalised world, however, the natural process of transmission of contagion operating through the trade, capital flows and confidence channels have affected the domestic, economic and financial conditions.

2. Opportunities & Threats:

In view of various economic revivals and the economy back on track, the current year Industrial Scenario is expected to be over whelming.

Your Company, having an enviable reputation for quality and consistency, is hopeful of 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, 2010 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, 2010 is 0.03:1, 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 2009-2010 is Rs. 292.75 Lacs as compared to Rs. 319.06 Lacs in the previous year decrease by 8.24 %.

Turnover : The Company's turnover (Net of Excise) has increased from Rs. 7,020.44 Lacs to Rs. 7,356.90 Lacs, increase of 4.79 % over the previous year.

Net Profit : Net profit available for appropriation for the year 2009-2010 stood at Rs. 510.90 Lacs as compared to Rs. 400.70 Lacs in the previous year, increase by 27.50 %.

Dividend : The Company had declared an Interim Dividend 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. 55.97 Lacs.

Earnings Per Share (EPS) : The Company's Earnings Per Share (EPS) during the current year is Rs 2.66 (Rs. 2.09 in the previous year).

5. Risks & Concerns:

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

6. Internal Control System and their Adequacy:

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

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

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

7. Occupational Health & Safety:

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

ANNEXURE- B

REPORT ON CORPORATE GOVERNANCE FORMING PART OF DIRECTORS' REPORT FOR THE YEAR 2009-10

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. It also aims to align as nearly as possible the interest of individuals, corporations and society and thereby enhancing the stakeholder's value. Best results are achieved when the companies begin to treat the Corporate Governance system not as a mere structure but as a way of corporate life. In fact good governance practices or their lack can have an impact on even the environment and community at large.

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 Board of Directors of the Company has an optimum combination of executive and non-executive directors and is in conformity with clause 49 of the Listing Agreement. The total strength of the Board as on 31st March, 2010, was Nine 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.	Shri Anil K. Sud	Director	Independent
7.	Shri Rohit Kapur	Director	Independent
8.	Shri Nirmaljeet Singh Gill	Director	Independent
9.	Shri G. C. Prabhu	Director	Independent

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

3. Board Meetings, its Committee Meetings and Procedures

3.1 Board Meetings

During the financial year 2009-2010, five Board Meetings were held on 28th April, 2009, 29th July, 2009, 28th August, 2009, 28th October, 2009 and 29th January, 2010.

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

Name of Director	No. of Board Meetings Attended out of 5 Meetings held during the year 2009-10	Last AGM held on 30th September, 2009 (Attended - Yes / No)
Whole time Directors		
Shri S. S. Sandhu	5	Y
Shri N. S. Ghumman	4	Y
Shri D. J. S. Sandhu	5	N
Independent / Non-Executive Directors		
Brig. H. S. Sidhu (Retd.)*	2	Y
Shri S. C. Verma	4	N
Shri G. S. Gill	1	N
Shri Anil K. Sud	2	Y
Shri Rohit Kapur	1	Y
Shri Nirmaljeet Singh Gill	1	N
Shri G. C. Prabhu	1	Y

* Brig. H. S. Sidhu (Retd.) has resigned w.e.f. January 22, 2010

4. Number of Directorship on the Board of Other Companies as on 31.03.2010

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, 2010, 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
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. 2010

(In Rupees)						
S.No.	Name	Designation	Salaries & Allowances	Contribution to PF	Other Benefits	Total
1.	Shri S. S. Sandhu	Chairman	36,00,000/-	4,32,000/-	25,152/-	40,57,152/-
2.	Shri N. S. Ghumman	Mg. Dir.	36,00,000/-	4,32,000/-	1,46,587/-	41,78,587/-
3.	Shri D. J. S. Sandhu	Dy. Mg. Dir	30,00,000/-	3,60,000/-	37,392/-	33,97,392/-

5.2 Sitting fee paid to Non-Executive / Independent Directors during the year-ended 31.03. 2010

(In Rupees)			
S. No	Name	Designation	Sitting Fees
1.	Shri S. C. Verma	Director	8,000/-
2.	Brig. H. S. Sidhu (Retd)	Director	4,000/-
3.	Shri Anil K. Sud	Director	4,000/-
4.	Shri Rohit Kapur	Director	2,000/-
5.	Shri G. S. Gill	Director	2,000/-
6.	Shri Nirmaljeet Singh Gill	Director	2,000/-
7.	Shri G. C. Prabhu	Director	2,000/-

6. Board Committees

A. Standing Committees

The Company has the following standing committees of the Board:

(i) Audit Committee

Composition, Name of Chairman and Members

In terms of 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), Shri Anil K. Sud and Shri Nirmaljeet Singh Gill (w.e.f. January 29, 2010).

During the year, Brig H. S. Sidhu (Retd.) has resigned from the Board of Directors of the Company and consequent to that he also ceased to be member of the Committee. The Committee was reconstituted on January 29, 2010 with the induction of Shri Nirmaljeet Singh Gill.

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.

Objective

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

Meetings and Attendance during the year

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

During the year under review, the Audit committee members of your company met at 5 meetings held on 27th April, 2009, 28th July, 2009, 27th August, 2009, 27th October, 2009 and 28th January, 2010.

Name	Number of meetings held during the Year	Number of meetings attended during the Year
Shri S. C. Verma	5	5
Brig. H. S. Sidhu (Retd.)*	5	4
Shri Anil K Sud	5	5
Shri Nirmaljeet Singh Gill**	NIL	NIL

* Brig. H. S. Sidhu (Retd.) has resigned w.e.f. January 22, 2010 and consequently ceased to be member of the Committee.

** Appointed as a member of the Committee w.e.f. January 29, 2010

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

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

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

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

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

(ii) Remuneration Committee

Composition, Name of Chairman and Members

In terms of provisions of Listing Agreement, the Board of Directors of the Company has constituted a Remuneration Committee, comprising of 3 independent non-executive directors viz. Shri S. C. Verma, Shri Anil K. Sud and Shri Nirmaljeet Singh Gill (w.e.f. January 29, 2010).

During the year, Brig H. S. Sidhu (Retd.) has resigned from the Board of Directors of the Company and consequent to that he also ceased to be member of the Committee. The Committee was reconstituted on January 29, 2010 with the induction of Shri Nirmaljeet Singh Gill. The quorum of the Committee is 2 members.

Committee Members

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

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

The Remuneration Committee has been constituted to recommend / review the remuneration packages of Chairman and Whole-time Director, Managing Director and Deputy Managing Director 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.

The remuneration policy 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.

During the year under review, there was a proposal for enhancement in the remuneration of Chairman and Whole-time Director, Managing Director and Dy. Managing Director. The Committee in its meeting held on 14th December, 2009 has approved increase in the remuneration of the Managerial Personnel namely Shri N. S. Ghumman, Managing Director, Shri S. S. Sandhu, Chairman and Whole-time Director and Shri D. J. S. Sandhu, Dy. Managing Director, on such terms, as is placed before the shareholders for their approval.

(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 Shareholders' / Investors' Grievance Committee, presently comprises 3 members viz, Shri Nirmaljeet Singh Gill 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. During the year, Brig H. S. Sidhu (Retd.) has resigned from the Board of Directors of the Company and consequent to that he also ceased to be member of the Committee. The Committee was reconstituted on January 29, 2010 with the induction of Shri Nirmaljeet Singh Gill.

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

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

Meetings and Attendance during the year

During the financial year under consideration, the Share Transfer Committee held 9 meetings on 15.04.2009, 20.05.2009, 15.07.2009, 03.08.2009, 15.09.2009, 30.11.2009, 04.01.2010, 02.03.2010 and 15.03.2010. All the members were present in the meeting.

Details of queries / complaints received from Shareholders' / Investors during the year 2009-10

The details of shareholders grievance are as follows:

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

7. General Meetings

7.1 Annual General Meetings (AGM)

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

Year	2006-07	2007-08	2008-09
Date	20th August, 2007	30th September, 2008	30th September, 2009
Time	10.00 A.M.	10.00 A.M.	10.00 A.M.
Venue	Plot No. 16-18, New Electronics Complex, Chambaghat Distt. Solan (H.P.)	Plot No. 16-18, New Electronics Complex, Chambaghat Distt. Solan (H.P.)	Plot No. 16-18, New Electronics Complex, Chambaghat Distt. Solan (H.P.)

7.2 Extra-Ordinary General Meeting (EGM)

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

8. Disclosures

- Details of transactions with related parties has been reported separately in Note 12 of Schedule M attached with the financial statement for the year ended 31st March, 2010, in accordance with the requirements of Accounting Standard 18 – 'Related Party Disclosures'.
- No penalties or strictures have been imposed on the Company by Stock Exchange, SEBI and statutory authority on any matter relating to capital markets during the last three years.
- The Company had not made any transactions or pecuniary relationships with the non-executive directors and / or their relatives, promoters, management during the year under review that may have potential conflict with the interests of the company.

9. Means of Communications

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

10. (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)

Date & Time	24.09.2010 at 10.00 a.m.
Venue	Regd. Office Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)

11.2 Financial Calendar

First quarter	: Latest by mid of August, 2010
Second / half yearly	: Latest by mid of November, 2010
Third quarter	: Latest by mid of February, 2011
Fourth quarter	: Latest by mid of May, 2011
Annual General Meeting	: Latest by end of September, 2011

11.3 Date of Book Closure : 20.09.2010 to 24.09.2010 (Both days inclusive)

11.4 Dividend payment date : Final dividend if declared shall be paid/
credited on or after 24th September, 2010.

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

11.6 (i) Stock Code : at BSE 513097

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

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

Share Price Movement at BSE					
(Rs. Per Share)			(Rs. Per Share)		
Month	High	Low	Month	High	Low
April, 2009	12.25	9.40	Oct., 2009	17.50	14.20
May, 2009	14.88	10.00	Nov., 2009	24.40	14.00
June, 2009	15.19	11.35	Dec., 2009	30.85	21.10
July, 2009	15.30	12.00	Jan., 2010	27.00	19.60
Aug., 2009	14.95	12.25	Feb., 2010	22.95	18.00
Sep., 2009	16.40	12.76	Mar., 2010	26.60	18.10

11.8 Share Transfer System

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

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

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

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

11.9 Dematerialisation of shares

Over 94% of the Company's paid-up equity share capital has been dematerialised upto 31st March 2010. 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, 2010

Category	No. of Shares held	% of total shareholding
Foreign Promoters	–	–
Banks	1,000	0.01 %
Financial Institutions	–	–
Mutual Funds	–	–
Domestic Companies	81,84,495	42.62 %
Non-Domestic Companies	–	–
Non-Resident Indians	37,992	0.20 %
Foreign Institutional Investors	–	–
Directors / Relatives of Directors	39,83,000	20.74 %
Individuals / Others	69,94,913	36.43 %
Total	1,92,01,400	100.00 %

11.11 Outstanding GDR / Warrants and convertible instruments

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

11.12 Major Plant / Unit Location(s)

Plant Location

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

Head Office

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

11.13 Address for correspondence

Investor Correspondence: For transfers/dematerialisation of shares, payment of dividend or 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 previous years 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 (II nd Interim)	April 21, 2007	May 27, 2014
2006-07 (Final)	August 20, 2007	September 25, 2014
2007-08 (Ist Interim)	January 30, 2008	March 6, 2015
2007-08 (II nd Interim)	June 6, 2008	July 11, 2015
2007-08 (Final)	September 30, 2008	November 5, 2015
2008-09 (Interim)	April 28, 2009	June 2, 2016
2008-09 (Final)	September 30, 2009	November 5, 2016

*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 31.03.2010 and based on our knowledge and belief , we state that :
- these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.

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

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

-Sd-

(N. S. Ghuman)
Managing Director

-Sd-

(K. S. Negi)
CFO - Corporate

Place : New Delhi
Date : August 17, 2010



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, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with The Stock Exchange, Mumbai (BSE).

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

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

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

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

-Sd-

Place: New Delhi
Date: August 17, 2010

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, 2010, 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
 - b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) in the case of Cash flow statement, of the Cash flows for the year ended on that date.

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

-Sd-

SURESH MALIK

Proprietor
M. No. 080493

Place: New Delhi
Dated: August 17, 2010

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 2010)

- (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 2010 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 Rs. 1.21 Crores 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 2010.

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

-Sd-

SURESH MALIK
Proprietor
M. No. 080493

Place: New Delhi
Dated: August 17, 2010



SHIVALIK BIMETAL CONTROLS LIMITED

Balance Sheet as at 31st March, 2010



	Schedule	Amount Rupees	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	A		38,402,800	38,402,800
Reserves & Surplus	B		399,185,606	358,185,955
			437,588,406	396,588,755
Loan Funds				
Secured Loans	C		211,210,588	241,525,807
Unsecured Loans			8,674,732	3,509,852
			219,885,320	245,035,659
Deferred Tax Liability	D		20,433,000	21,096,500
TOTAL.....			677,906,726	662,720,914
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	E	294,081,640		288,090,091
Less : Depreciation		116,654,322		103,356,458
Net Block			177,427,318	184,733,633
Capital Work-in- Progress			2,177,368	437,754
Machinery in Transit			-	598,000
Advances for Capital Expenditure			6,892,526	1,686,163
			186,497,212	187,455,550
INVESTMENTS	F		95,345,600	87,845,600
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	G	182,704,242		217,095,589
Sundry Debtors		250,230,685		222,357,069
Cash and Bank Balances		13,713,668		9,577,806
Other Current Assets		1,582,425		992,575
Loans & Advances		152,537,830		89,980,065
			600,768,850	540,003,104
Less : Current Liabilities & Provisions	H			
Current Liabilities		175,205,330		116,054,887
Provisions		29,499,606		36,528,453
		204,704,936		152,583,340
Net Current Assets			396,063,914	387,419,764
TOTAL.....			677,906,726	662,720,914

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)
CFO - Corporate

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi
Dated : August 17, 2010



SHIVALIK BIMETAL CONTROLS LIMITED

Profit and Loss Account for the Year ended on 31st March, 2010



Schedule	Year ended on 31st March 2010 Rupees	Year ended on 31st March 2009 Rupees
INCOME		
Sales	780,683,075	759,450,438
Less : Excise Duty	44,992,792	57,035,837
Sales (Net)	735,690,283	702,414,601
Job Work	162,923	152,767
Other Income I	9,990,022	(9,656,446)
Sales & Other Income	745,843,228	692,910,922
EXPENDITURE		
(Increase)/Decrease in Stock J	(8,192,697)	6,865,661
Cost of Raw Material Consumed	423,296,525	407,239,176
Manufacturing & Other Expenses K	215,531,167	190,270,570
Interest & Finance Charges L	29,274,653	31,906,272
Depreciation	16,809,468	15,720,719
	676,719,116	652,002,398
Profit before tax	69,124,112	40,908,524
Provision for Taxation		
-Current Tax	17,400,000	4,465,000
-MAT Credit Entitlement	-	(3,901,000)
-Deferred Tax	(663,500)	(1,145,500)
-Fringe Benefit Tax	-	1,543,000
Taxation adjustments of previous years (Net)	1,297,396	(122,462)
Profit after Tax	51,090,215	40,069,486
Profit Brought Forward	186,765,621	181,805,241
Amount Available for Appropriations	237,855,836	221,874,727
APPROPRIATIONS		
Interim Dividend	3,840,280	3,840,280
Tax on Interim Dividend	652,656	652,656
Proposed Final Dividend	4,800,350	4,800,350
Tax on Proposed Final Dividend	797,278	815,820
Transfer to General Reserve	25,000,000	25,000,000
Balance carried to Balance Sheet	202,765,272	186,765,621
	237,855,836	221,874,727
Basic and Diluted Earnings per share(Rs.)	2.66	2.09

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

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

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

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi
Dated : August 17, 2010



SHIVALIK BIMETAL CONTROLS LIMITED

Cash Flow Statement for the year ended 31st March, 2010



	Year ended on 31st March, 2010 Rupees	Year ended on 31st March, 2009 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	69,124,112	40,908,524
Adjustments for:		
Depreciation	16,809,468	15,720,719
Interest Paid	29,274,653	31,906,272
Interest Received	(51,459)	(381,594)
Amount Written Back	(210,154)	(90,752)
Debtors/ Unrecoverable Amount Written Off	68,266	105,118
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss	(106,988)	(54,333)
(Profit)/Loss on sale of Fixed Asset	3,373,121	4,598,984
Operating Profit before Working Capital changes	118,281,019	92,712,938
Adjustment for :		
Trade and other receivables	(27,941,882)	22,227,100
Inventories	34,391,347	10,090,606
Trade Payables	59,751,046	(61,543,776)
Loans and Advances	(80,385,268)	(4,734,013)
Other current Assets	(589,850)	(303,400)
Cash generated from operations	103,506,412	58,449,455
Direct taxes paid	(8,466,693)	(3,738,144)
Cash flow from Ordinary items	95,039,719	54,711,311
Extraordinary Items	-	-
Net Cash flow from operating Activities	95,039,719	54,711,311
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(21,497,560)	(27,747,370)
Sale of Fixed Assets	8,621,286	13,670,083
Capital Work In Progress	(1,739,614)	(437,754)
Capital Advance	(4,608,363)	(1,961,865)
Interest Received	51,459	381,594
Long Term Investment	(7,500,000)	(73,400,000)
Net cash (used) in / from investing activities	(26,672,792)	(89,495,312)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Bank Borrowings	(19,941,054)	82,366,929
Term Loan	-	-
Vehicle Loan	(644,228)	942,909
Term Loan Paid	(9,634,529)	(14,866,762)
Unsecured Loan	5,164,880	(645,820)
Interest Paid	(29,274,653)	(31,906,272)
Dividend including Dividend Tax paid	(10,008,470)	(11,240,724)
Central Capital Investment Subsidy	-	-
Net Cash (used)in from financing activities	(64,338,053)	24,650,259
NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS	4,028,874	(10,133,743)
Cash and Cash equivalents as on 1st April, 2009 (Opening Balance)	9,577,806	19,657,216
Exchange Difference on translation of foreign currency cash & cash equivalent	106,988	54,333
Cash and Cash equivalents as on 31st March, 2010 (Closing Balance)	13,713,668	9,577,806
Cash and Cash equivalents as on 31st March, 2010 as per book	13,713,668	9,577,806

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)
CFO - Corporate

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi

Dated : August 17, 2010



SHIVALIK BIMETAL CONTROLS LIMITED

Schedules Forming Part of the Balance Sheet
as at and Profit & Loss Account for the year ended 31st March, 2010



	Amount Rupees	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SCHEDULE 'A' - SHARE CAPITAL			
(a) AUTHORISED			
2,50,00,000 Equity Shares (Previous year 2,50,00,000 Equity Shares) of Rs. 2/- each		50,000,000	50,000,000
(b) ISSUED, SUBSCRIBED & PAID-UP			
1,92,01,400 Equity Shares (Previous year 1,92,01,400 Equity Shares) of Rs 2/- each , Fully paid-up		38,402,800	38,402,800
SCHEDULE 'B' - RESERVES AND SURPLUS			
(a) Capital Reserves		6,420,334	6,420,334
(b) General Reserve			
Balance as per last year:	165,000,000		140,000,000
Add: Transferred from Profit & Loss Account	25,000,000		25,000,000
		190,000,000	165,000,000
(c) Profit & Loss Account			
Balance carried forward		202,765,272	186,765,621
		399,185,606	358,185,955
SCHEDULE 'C' - SECURED LOANS			
FROM BANKS			
(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		185,293,890	205,234,944
Machinery Term Loan		16,635,543	26,270,072
(Pari passu first charge over the Plants & Machinery of the Company, both present and future, with Himachal Pradesh State Industrial Development Corporation Ltd. for capital subsidy of Rs. 63.63 lakh availed by the company from the Government.)			
(Amount repayable within one year Rs. 63.60 lacs			
Previous year Rs.96.34 lacs)			
Interest Accrued and Due		150,018	245,427
		202,079,451	231,750,443
VEHICLES LOANS			
From Banks	6,501,217		5,572,254
From Others	2,629,920	9,131,137	4,203,110
(Amount repayable within one year Rs. 69.51 lacs			
Previous year Rs. 48.06 lacs)			
		211,210,588	241,525,807
SCHEDULE 'D' - DEFERRED TAX LIABILITY (NET)			
Deferred Tax Liabilities		21,096,500	22,242,000
Depreciation			=
		21,096,500	22,242,000
Less : Deferred Tax Assets			
Depreciation		204,478	746,268
Others		459,022	399,232
		663,500	1,145,500
		20,433,000	21,096,500

SCHEDULE "E" FIXED ASSETS

Particulars	COST			DEPRECIATION			NET BLOCK	
	As at 01.04.09	Additions	Sale/Transfer during the year	As at 01.04.09	During the year	ADJUST- MENTS	AS AT 31.03.10	AS AT 31.03.09
1. Land (Leasehold)	366,923	—	—	—	—	—	366,923	366,923
2. Site Development	1,296,421	—	—	941,997	43,300	—	311,124	354,424
3. Building	30,336,084	509,112	—	8,479,239	1,023,145	—	21,342,812	21,856,845
4. Plant & Machinery	194,751,056	7,550,310	413,804	75,900,846	10,346,149	126,156	115,766,722	118,850,210
5. Furniture & Fixtures	11,458,054	1,272,659	—	3,302,761	769,046	—	8,658,906	8,155,293
6. Vehicles	36,772,997	11,399,771	15,040,212	7,948,368	3,669,255	3,381,234	24,896,167	28,824,629
7. Office Equipment & Appliances	13,108,556	765,703	51,990	6,783,247	958,572	4,214	6,084,664	6,325,309
TOTAL (Rs.)	288,090,091	21,497,555	15,506,006	103,356,458	16,809,467	3,511,604	177,427,318	184,733,632
Previous Year	284,704,545	16,732,788	13,347,242	93,728,496	15,720,719	6,092,758	184,733,633	190,976,049
Capital Work-In-Progress							2,177,368	437,754
Advance for Capital Expenditure							6,892,526	1,686,163
Machinery in Transit							—	598,000
							9,069,894	2,721,917
							186,497,212	187,455,549

	Amount Rupees	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SCHEDULE 'F' - INVESTMENTS			
LONG TERM UNQUOTED SHARES			
Investment in Subsidiary Company			
55,000 Equity Shares (Previous year 10,000 Equity Shares) of Shivalik Bimetal Engineers Pvt. Ltd. of Rs.10/-each-Fully paid up		550,000	100,000
Share Application Money		–	450,000
Investment in Joint Venture Company			
6,85,900 Equity Shares (Previous year 6,85,900 Equity Shares) of Checon Shivalik Contact Solutions Pvt. Ltd. of Rs.10/-each-Fully paid up		11,895,600	11,895,600
75,20,000 Equity Shares (Previous year 50,70,000 Equity Shares) of Innovative Clad Solutions Pvt. Ltd. of Rs.10/-each-Fully paid up		75,200,000	50,700,000
Share Application Money		7,500,000	24,500,000
Other Investment			
20,000 Equity Shares (Previous year- 20000 Equity Shares) of SSWML of Rs.10/-each-Fully paid up		200,000	200,000
		95,345,600	87,845,600
SCHEDULE 'G'- CURRENT ASSETS, LOANS & ADVANCES			
CURRENT ASSETS			
INVENTORIES (as taken, valued and certified by Management)			
Stores & Spares	4,392,155		3,698,513
Packing Material	479,176		318,469
Tools & Dies	–		194,952
Finished Goods	14,153,075		10,983,899
Finished Goods lying with consignee at Germany	222,892		–
Finished Goods lying in warehouse at Brazil	–		2,999,662
Work-in-progress	48,481,623		39,960,216
Semi-Finished goods	3,685,467		3,703,160
Raw Materials	59,284,708		68,543,694
Scrap	16,640		180,264
Stock of Stationery	65,349		33,668
Material in Transit	15,270,413		17,614,553
Stock with Bonded Warehouse	36,652,744		68,864,539
		182,704,242	217,095,589
SUNDRY DEBTORS			
(Unsecured - Considered Good)			
a) Debts outstanding - exceeding Six Months	43,983,852		48,262,503
b) Other Debts	206,246,833	250,230,685	174,094,566
			222,357,069
CASH AND BANK BALANCES			
Cash on hand	311,963		199,462
Cheques on hand	8,502,998		97,504
Balance with Scheduled Banks			
Current Accounts	3,329,437		6,059,839

	Amount Rupees	Year ended on 31st March 2010 Rupees	Year ended on 31st March 2009 Rupees
Current Accounts in Foreign Currency	237,145		1,664,877
Margin Money	1,332,125		1,556,125
		13,713,668	9,577,806
OTHER CURRENT ASSETS			
Gold Coins		1,582,425	992,575
LOANS AND ADVANCES			
(Unsecured - Considered Good)			
Advances recoverable in cash or in kind or for value to be received	84,817,069		16,593,317
Excise Duty	31,819,029		19,865,167
Security Deposits	1,592,718		1,385,064
MAT Credit Entitlement	18,554,200		24,211,000
Advance Income Tax /TDS	15,754,814		27,925,517
		152,537,830	89,980,065
		600,768,850	540,003,104
SCHEDULE 'H'- CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
SUNDRY CREDITORS			
Due to Micro, Small & Medium Enterprises	72,429		212,603
Others Creditors	81,834,819	81,907,248	100,814,779
Other Liabilities		91,397,672	13,227,731
Unclaimed Dividend		1,900,410	1,799,774
		175,205,330	116,054,887
PROVISIONS			
Interim Dividend		3,840,280	3,840,280
Tax on Interim Dividend		652,656	652,656
Proposed Final Dividend		4,800,350	4,800,350
Tax on Proposed Final Dividend		797,278	815,820
Employee Benefits		1,657,842	1,071,347
Taxation		17,751,200	25,348,000
		29,499,606	36,528,453
		204,704,936	152,583,340
SCHEDULE 'I' - OTHER INCOME			
Interest		3,603,855	4,372,350
(Tax Deducted at Source Rs. 1,96,053 /-, Previous year Rs. 7,14,523/-)			
Miscellaneous Income		642,235	598,176
Rent Received		604,000	300,000
(Tax Deducted at Source Rs.1,01,695 /- Previous year Rs.69,811/-)			
Premium / Discount on Forward Contract		-	1,671,949
Liabilities no more payable Written Back		210,154	90,752
Gain / (Loss) on Foreign Exchange Fluctuations		4,929,778	(16,689,673)
		9,990,022	(9,656,446)
SCHEDULE 'J' - MOVEMENT IN STOCK			
Opening Stock			
Finished Goods		13,983,561	14,397,181
Work in Progress		39,960,216	45,757,056
Semi-Finished Goods		3,703,160	5,175,059
Scrap		180,264	282,123
		57,827,201	65,611,419

	Amount Rupees	Year ended on 31st March 2010 Rupees	Year ended on 31st March 2009 Rupees
Closing Stock			
Finished Goods		14,375,967	13,983,561
Work in Progress		48,481,623	39,960,216
Semi-Finished Goods		3,685,467	3,703,160
Scrap		16,640	180,264
		66,559,697	57,827,201
Add/(Less): Excise duty variation on opening/closing stock		539,799	(918,557)
(Increase)/Decrease		(8,192,697)	6,865,661

SCHEDULE 'K' - MANUFACTURING & OTHER EXPENSES

Stores & Spares Consumed	12,481,003	10,610,364
Power & Fuel	6,143,595	5,962,553
Salaries , Wages & Bonus	35,017,064	32,799,653
Employee's Welfare and Other Amenities	6,572,514	6,316,783
Machinery Repairs	9,182,648	7,066,129
Building Repairs	2,586,898	1,262,977
Other Repairs	6,790,752	6,260,813
Processing Charges	7,674,065	4,552,031
Lease Charges	3,000	6,000
Research & Development	1,567,661	1,517,660
Insurance	5,971,065	6,095,590
Rent	1,619,484	1,162,039
Rates & Taxes	394,918	489,270
Managerial Remuneration	11,650,716	11,525,166
Travelling & Conveyance	9,969,816	12,013,731
Electricity and Water Charges	1,300,701	966,885
Printing & Stationery	931,497	1,006,365
Communication Expenses	1,422,976	1,588,877
Professional and Consultancy Charges	3,108,737	3,830,621
Charity and Donations	137,900	91,953
Wealth Tax	176,617	178,505
Business Promotion /Development, Advertisement & Publicity	7,923,667	2,679,958
Commission on Sales	34,609,439	31,228,248
Packing Cost	31,085,678	22,349,202
Forwarding & Freight	8,638,994	10,609,336
Irrecoverable Debts Written off	68,266	105,118
Loss on sale of Fixed Assets	3,373,121	4,598,984
Miscellaneous Expenses	5,128,377	3,395,759
	215,531,167	190,270,570

SCHEDULE 'L' - INTEREST & FINANCE CHARGES

Interest on Term Loans	2,168,482	3,887,434
Interest (Others)	24,573,861	25,356,736
Bill Discounting Charges	2,532,310	2,662,102
	29,274,653	31,906,272

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

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. Use of Estimates

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

3. Inventories

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

4. Cash Flow Statements

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

5. Depreciation

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

6. Research & Development Expenditure

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

7. Revenue Recognition

- Sales are recognized on dispatch of goods from the factory and are recorded net of trade discounts, rebates, sales tax and returns.
- For other incomes, the Company follows the accrual basis of accounting except interest on delayed payment from customers where there is no reasonable certainty regarding the amount and / or its Collectability.

8. Export Benefits

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

9. Fixed Assets

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

10. Dies & Tools

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 for at the exchange rate prevailing on the transaction date.
- b. Year end monetary assets and liabilities in foreign currency, other than pertaining to acquisition of fixed assets, are converted at the exchange rate prevailing on the Balance Sheet date and the resultant difference is charged/ credited to Profit & Loss account.
- c. Year end conversion differences in respect of liabilities pertaining to acquisition of fixed assets are adjusted to the costs of the relevant Assets.
- d. Forward contracts entered into to hedge foreign currency risks on foreign exchange liabilities are 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 contracts is amortized as expense or income over the life of respective contracts. Exchange differences on such contracts are recognized in Profit & Loss account in the year in which the exchange rate changes. Any profit & loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the year.

13. Investments

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

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 using the projected unit credit method which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The Company has an employee gratuity fund managed by Life Insurance Corporation of India (LIC). The gains or losses are charged to Profit and Loss Account.

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

15. Borrowing Cost

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

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. Accounting for interests in joint ventures

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

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

18. Lease

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

19. Earnings Per share

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

20. Taxes on Income

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

21. 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 and value in use.

22. Provision, Contingent Liabilities and Contingent Assets

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

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

Contingent liability is disclosed in case of

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

Contingent assets are neither recognized nor disclosed.

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

NOTES TO ACCOUNTS :

1.(a) Contingent Liabilities in respect of:

(Rs. in Lacs)

	Current Year	Previous Year
i) Bank Guarantee(s) submitted	52.50	61.29
ii) Letters of Credit established by the bank	576.71	88.53
iii) Bills Discounted	159.14	75.70
iv) Custom duty on Material imported against Advance Licence / for pending export obligation	2.31	26.47
v) Corporate Guarantee on behalf of JV Company	121.00	121.00
vi) Surety with Sales Tax Department	3.00	2.00

(b)	Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for	163.26	187.19
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- The balances of Sundry debtors and Creditors are subject to confirmation; however, these are being reasonably monitored.
- 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.
- Payment to Auditors' (Excluding Service Tax)

(Rs. in lacs)

	Current Year	Previous Year
1. Audit Fees	8.00	6.00
2. Tax Audit Fees	1.50	1.50
3. Other Services	5.63	3.75
4. Reimbursement of expenses	0.54	0.33

- Balance with scheduled Banks in unclaimed dividend accounts amounting to Rs. 19.00 lacs (Previous year Rs. 18.00 lacs).
- Custom Duty not provided for in respect of materials lying in Bonded Warehouses / Materials in Transit as on Balance Sheet date, is of Rs. 67.64 lacs inclusive of Cenvatable amount of Rs. 56.01 lacs (Previous Year Rs. 150.48 lacs inclusive of Cenvatable amount of Rs. 112.82). However the above policy has no impact on the operating results of the Company.
- The financial risk mainly relating to changes in the exchange rates in respect of payables including firm commitments are hedged by forward contracts aggregating to Rs. 751.73 lacs (Previous Year Nil/-) outstanding as on March 31, 2010.
- In compliance with the Notification dated March 31, 2009 issued by Ministry of Corporate Affairs and according to the newly inserted paragraph 46 of the Accounting Standard -11 "The effect of Changes in Foreign Exchange Rates", the company has adjusted Rs. 1.25 lacs (Previous Year Nil/-) to the cost of relevant fixed assets.

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

	Current Year	Previous Year
1. Salaries	102.00	102.00
2. Sitting Fees	0.24*	0.44*
3. Perquisites	2.09	0.57
Sub Total	104.33	103.01
4. Contribution to Provident Fund	12.24	12.24
Grand Total	116.57	115.25

* 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. 3306 Lacs
Maximum amount payable per month to each managerial personal	Rs. 3 Lacs

10. **Earnings Per Share**

	Year ended 31.03.10	Year ended 31.03.09
Net profit attributable to shareholders (Rs. in Lacs)	510.90	400.69
Weighted average number of equity shares (No. in Lacs)	192.014	192.014
Basic earning per share of Rs. 2/- each (in Rs.)	2.66	2.09

11. **Expenditure on Research & Development**

(Rs. in Lacs)

	Year Ended 31.03.10	Year Ended 31.03.09
Revenue	15.68	15.18

12. "Related Party Disclosure" for the year ended 31st March, 2010 in accordance with Accounting Standard-18 issued by the Institute of Chartered Accountants of India:

(a) Related parties and their relationships

i) **Key Management Personnel**

Mr. S.S. Sandhu	Chairman
Mr. N.S. Ghumman	Managing Director
Mr. D.J.S. Sandhu	Dy. Managing Director
Others	
Mr. Angad Sandhu	Business Development Manager
Mr. Kanav Anand	Asstt. General Manager - Marketing
Birg. J.M. Singh	Executive Director

ii) **Subsidiary Company**

Shivalik Bimetal Engineers Pvt. Ltd.

iii) **Joint Ventures**

- Checon Shivalik Contact Solutions Pvt. Ltd.
- Innovative Clad Solutions Pvt. Ltd.

- iv) Enterprises over which persons referred in (i) above, or their relatives, are able to exercise significant influence:-
- TSL Holdings Ltd.
 - Angad Estates Pvt. Ltd.
 - Vishesh Credits Pvt. Ltd.

(b) Transactions with related parties

(Rs. in Lacs)

Nature of Transaction	(i)		(ii)	
	Key Management Personnel		Related Enterprises / Person	
	Current Year	Previous Year	Current Year	Previous Year
Managerial Remuneration	116.57	115.25	-Nil-	-Nil -
Checon Shivalik Contact Solutions Pvt. Ltd.				
– Rent Received	-Nil-	-Nil-	6.66	3.36
– Raw Material & Capital Goods Sold	-Nil -	-Nil -	6.52	3.17
– Raw Material Purchased	-Nil -	-Nil -	0.22	-
– Other Expenses	-Nil -	-Nil -	7.86	5.45
			21.26	11.98
Innovative Clad Solutions Pvt. Ltd.				
– Equity Shares	-Nil -	-Nil -	245.00	487.00
– Share Application Money	-Nil -	-Nil -	75.00	245.00
– Goods Purchased	-Nil -	-Nil -	1.99	0.02
– Other Expenses	-Nil -	-Nil -	1.23	5.98
			323.22	738.00
Shivalik Bimetal Engineers Pvt. Ltd.				
– Equity Shares	-Nil -	-Nil -	4.50	- Nil -
– Other Expenses	-Nil -	-Nil -	0.26	1.80
			4.76	1.80
Remuneration in pursuant to Section 314 of the Companies Act 1956 for holding an office or place of profit.	-Nil-	-Nil-	14.59	9.46
Office Rent Paid to enterprises mentioned in point iv (a) (b) (c)	-Nil-	-Nil-	6.77	4.37

13. 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. 72,429/- (Previous year Rs. 2,12,603/- and Nil (Previous year- Nil) interest is due thereon.

14. **Disclosure pursuant to Accounting Standard (AS) 15 (Revised) “Employee Benefits”:**

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

(i) **Defined Contribution Plan**

- Provident Fund
- 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	2009-10	2008-09
(a)	Employer's Contribution to Provident Fund	20.33	15.10
(b)	Employer's Contribution to Pension Scheme	10.73	10.10

(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	2009-10		2008-09	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	8.00%	8.00%	7.50%	7.50%
Rate of escalation in Salary (per annum)	6.00%	6.00%	5.00%	5.00%
Expected Rate of return on plan assets (per annum)	9.15%	–	9.15%	–
Expected Average remaining working lives of employees in no. of years	24.10	24.16	24.29	24.09
Mortality Table (LIC)	(1994-96) duly modified		(1994-96) duly modified	

Sr.No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2009-10	2008-09	2009-10	2008-09
(a)	Changes in Present Value of Obligation				
	Opening balance of Present value of obligation	51.12	40.21	10.23	8.25
	Interest Cost	4.09	3.01	0.82	0.62
	Current Service Cost	4.61	4.62	1.98	1.56
	Benefits Paid	(4.56)	(0.79)	(1.15)	(1.66)
	Actuarial (Gain)/Loss on Obligation	3.74	4.07	1.80	1.46
	Closing Balance of Present value of obligation	59.00	51.12	13.68	10.23
(b)	Changes in Fair Value of Plan Assets				
	Opening balance of Fair Value of Plan Assets	50.63	38.47	–	–
	Expected Return on Plan Assets	4.63	3.52	–	–
	Employer's Contribution	5.55	9.34	–	–
	Benefits paid	(4.56)	(0.79)	–	–
	Actuarial Gain/ (Loss) on Plan Assets	(0.15)	0.10	–	–
	Closing balance of Fair value of Plan Assets	56.10	50.64	–	–
	Actual return on Plan Assets	4.48	3.62	–	–

Sr.No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2009-10	2008-09	2009-10	2008-09
(c) Percentage of each category of Plan Assets to total Fair value of Plan assets	Adminstrated by Life Insurance Corporation of India	100%	100%	–	–
(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets					
	Closing Balance of Present Value of Obligation	59.00	51.12	13.68	10.23
	Closing Balance of Fair Value of Plan Assets	56.10	50.63	–	–
	(Asset)/ Liability recognised the Balance Sheet	2.90	0.49	13.68	10.23
(e) Amount Recognised in the Balance Sheet					
	Closing Balance of Present Value of Obligation	59.00	51.12	13.68	10.23
	Closing Balance of Fair Value of Plan Assets	56.10	50.63	–	–
	Funded (Asset)/Liability recognised in the Balance Sheet	2.90	0.49	–	–
	Unfunded Liability recognised in the Balance Sheet	–	–	13.68	10.23
(f) Expenses recognised in the statement of Profit and Loss					
	Current Service Cost	4.61	4.62	1.98	1.56
	Interest Cost	4.09	3.01	0.82	0.62
	Expected Return on Plan Assets	(4.63)	(3.52)	–	–
	Net Actuarial (Gain)/Loss recognised in the period	3.90	3.97	1.80	1.46
	Expenses recognized in the statement of Profit and Loss	7.97	8.08	4.60	3.64
(g) Experience Adjustments					
	Experience adjustment on Plan Liabilities (loss)/gain	(3.75)	(3.94)	(1.06)	(1.46)
	Experience adjustment on Plan Assets (loss)/ gain	(0.15)	0.10	–	–
(h) Expected employer contribution for the next year		9.52	7.67	2.90	1.38

15. 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 31.03.2010	Rs.118.96 Lacs	Rs. 827.00 Lacs
Description of Interest	Jointly Controlled Entity	Jointly Controlled Entity
Joint Venture Partners	Checon Corporation, USA	i) Arcellor Mittal 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 st March 2010 (Rs. in Lacs)	As At 31 st March 2009 (Rs. in Lacs)	As At 31 st March 2010 (Rs. in Lacs)	As At 31 st March 2009 (Rs. in Lacs)
I ASSETS				
1 Fixed Assets(including Capital Work in Progress)	133.35	88.89	1565.04	900.08
2 Investments	–	–	–	–
3 Current Assets, Loans & advances				
a) Inventories	74.64	42.60	58.05	2.45
b) Sundry Debtors	29.93	142.26	0.39	0.06
c) Cash and Bank Balance	29.54	2.96	190.70	188.82
d) Other current Assets	0.51	0.16	1.46	1.31
e) Loans & Advances	39.70	27.42	39.00	16.28
4 Miscellaneous Expenditure	–	–	11.59	8.95
5 Profit & Loss Account	–	–	61.38	–
II LIABILITIES				
1 Shareholders' Funds-Reserves & Surplus	215.30	175.96	827.00	752.00
2 Secured Loan	24.82	26.46	914.80	8.06
3 Deferred Tax (Net)	7.89	2.91	–	–
4 Current Liabilities and Provisions				
a) Liabilities	46.96	83.89	184.96	355.42
b) Provisions	12.70	15.07	0.85	2.47
	For the year ended 31st March 2010	For the year ended 31st March 2009	For the year ended 31st March 2010	For the year ended 31st March 2009
III INCOME				
1 Sales (Net of Excise Duty/Custom Duty)	253.76	469.80	2.32	–
2 Other Income	39.44	(10.30)	2.34	–
IV EXPENSES				
1 Operating Expenses	253.79	384.58	39.11	–
2 Depreciation	5.48	3.57	11.80	–
3 Interest	3.41	5.75	14.93	–
4 Profit Before Taxation	30.52	65.60	(61.18)	–
5 Provision for Taxation (including deferred taxation & fringe benefit tax)	5.24	10.04	0.20	–
6 Profit after Tax	25.28	55.56	(61.38)	–
V OTHER MATTERS				
1 Contingent Liabilities	1.00	0.50	39.64	84.48
2 Capital Commitments	0.85	0.89	2.70	227.68

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

	Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
	2009-10	2008-09	2009-10	2008-09
Opening Balance of Reserves	107.37	51.81	–	–
Add : Group share of Profits for the year	39.34	55.56	–	–
Closing Balance of Reserves	146.71	107.37	–	–

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

Class of Goods		Unit of Quantity	Current year Quantity	Previous year Quantity
A	Installed capacity			
	Thermostatic Bimetal/Trimetal Strips & parts (Clad & EB welded) (Single shift)	Tonnes	740	740
	Parts for Color Picture Tubes, Electron Guns (Double shift)	No. of Pcs.	1,700 lacs	1,700 lacs
	Reflow Solder (Single shift) (as certified by the Management and relied on by the Auditor's, being a technical matter)	Tonnes	50	50
B	Production		Current year	Previous year
	Thermostatic Bimetal/Trimetal Strips and Parts	Tonnes	365.59	343.89
	Job-work of Bimetal/Trimetal/Alloy Strips	Tonnes	363.59	269.42
	Parts for Color Picture Tubes, Electron Guns	No. of Pieces	1283.70 lacs	1037.03 lacs
	Reflow Solder	Tonnes	–	0.42
C	Turnover			
		Quantity	Value (Rs. in Lacs)	Quantity Value (Rs. in Lacs)
	Bimetal/Trimetal Strips & Parts (Tonnes)			
	- Domestic	218.09	2,910.38	148.05 2,282.62
	- Export	148.13	1,909.44	191.55 2,533.33
	Parts for Color Picture Tubes, Electron Guns (No. of Pcs., in lacs)			
	- Domestic	1277.09 lacs	2,977.87	1040.29 lacs 2,758.00
	- Export	0.00 lacs	0.00	3.00 lacs 3.72
	Reflow Solder (Tonnes)			
	- Export	–	–	0.37 9.36
	Others	–	9.14	– 3.77
D	Stocks (Finished Goods)			
		Opening Stock		Closing Stock
		Quantity (Tonnes)	Value (Rs. in Lacs)	Quantity (Tonnes) Value (Rs. in Lacs)
	Bimetal/Trimetal Strips & Parts (Tonnes)	15.92	119.43	13.74 107.68
	(Previous Year)	(11.64)	(119.37)	(15.92) (119.43)

Parts for Color Picture Tubes, Electron Guns (No. of Pcs., in lacs)	1.61	7.82	8.23	18.53
(Previous Year)	(7.87)	(24.45)	(1.61)	(7.82)
Reflow Solder (Tonnes)	0.08	1.07	0.08	0.77
(Previous Year)	(0.02)	(0.15)	(0.08)	(1.07)

E Raw Material consumed

	Current year		Previous year	
	Quantity (Tonnes)	Value (Rs. in Lacs)	Quantity (Tonnes)	Value (Rs. in Lacs)
Bimetal / Trimetal & other Alloy Strips (Tonnes)	863.79	4,232.97	733.47	4,072.39
F Consumption of Raw Materials, stores & spares	% of total Consumption	Value (Rs. In Lacs)	% of total Consumption	Value (Rs. In Lacs)
Raw material				
-imported	80.54	3,409.22	81.16	3,305.32
-indigenous	19.46	823.75	18.84	767.07
	100 %	4,232.97	100 %	4,072.39
Stores & Spares				
-imported	19.85	24.39	14.68	15.58
-indigenous	80.15	98.47	85.32	90.52
	100 %	122.86	100 %	106.10

G Value of imports calculated on CIF basis

	Current year	Previous year
Raw Material	2,769.47	2,900.56
Capital Goods	15.64	3.35
Stores & Spares	25.39	16.07

H Expenditure in foreign currency

74.56	106.21
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I Earning in foreign currency

1,895.46	2,570.86
----------	----------

i) Export of goods calculated on F.O.B. basis (Net of Returns)	1,895.46	2,570.86
ii) Receipts on account of Exchange Fluctuations	49.30	0.00

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

i) Registration Details

Registration No.	L27101HP1984PLC005862
State Code No.	06
Balance Sheet Date	31.03.2010

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	882,612
Total Assets	882,612

SOURCE OF FUNDS :

Paid-up Capital	38,403
Reserves & Surplus	399,185
Secured Loans	211,211
Unsecured Loans	8,675
Deferred Tax Liability	20,433

APPLICATION OF FUNDS :

Net Fixed Assets (Including Capital WIP)	186,497
Investments	95,346
Net Current Assets	396,064
Misc. Expenditure	—

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

Turnover	790,836
Total expenditure	721,712
Profit before Tax	69,124
Profit after Tax	51,090
Earning per share in Rs.	2.66
Dividend Rate %	22.50%

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

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

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

S. No.	Name of Subsidiary Company	Shivalik Bimetal Engineers Pvt. Ltd.
1.	The financial period of the Subsidiary Company ended on	31st March 2010
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	55,000 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 31.03.10	Rs. 35,431/-
	ii) For the previous Financial years as of the Subsidiary Company since it became the Holding Company's Subsidiary	Rs. 2,64,243/-
	b) Dealt with in Holding Company's Account	
	i) For the Financial year ended 31.03.10	Nil
	ii) For the previous Financial Years of the Subsidiary Company since it became the Holding Company's Subsidiary	Nil

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, 2010, 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. 1989.44 lacs as at 31st March, 2010, total revenue of Rs. 325.34 lacs and cash flows amounting to Rs. 221.01 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, 2010.
 - b) In the case of the Consolidated Profit and Loss account, of the consolidated results of operations of the Shivalik Group for the year ended on that date; and
 - c) In the case of Consolidated Cash Flow Statement, of the Consolidated Cash flows of the Shivalik Group for the year ended on that date.

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

-Sd-

Place : New Delhi
Dated : August 17, 2010

SURESH MALIK
Proprietor
M. No. 080493



SHIVALIK BIMETAL CONTROLS LIMITED

Consolidated Balance Sheet as at 31st March 2010



	Schedule	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	38,402,800	38,402,800
Reserves & Surplus	B	406,553,982	367,723,115
		<u>444,956,782</u>	<u>406,125,915</u>
Loan Funds			
Secured Loans	C	305,173,542	244,978,208
Unsecured Loans		8,674,732	3,509,852
		<u>313,848,274</u>	<u>248,488,060</u>
Deferred Tax Liability	D	21,228,873	21,393,263
TOTAL.....		<u>780,033,929</u>	<u>676,007,238</u>
APPLICATION OF FUNDS			
Fixed Assets	E		
Gross Block		464,770,064	305,453,098
Less : Depreciation		<u>119,807,196</u>	<u>104,315,202</u>
Net Block		344,962,868	201,137,896
Capital Work-in- Progress		2,581,580	65,889,842
Advances for Capital Expenditure		6,931,901	4,755,639
Pre-operative & Incidental expenditure pending capitaliaion		1,771,418	10,024,347
Machinery in Transit		<u>116,209</u>	<u>4,580,500</u>
		356,363,976	286,388,224
Goodwill		3,607,982	3,607,982
INVESTMENTS	F	200,000	200,000
CURRENT ASSETS, LOANS & ADVANCES	G		
Inventories		195,973,467	221,601,077
Sundry Debtors		253,956,579	237,165,022
Cash and Bank Balances		35,814,548	28,940,264
Other Current Assets		1,582,425	992,575
Loans & Advances		160,808,575	94,712,493
		<u>648,135,594</u>	<u>583,411,431</u>
Less : Current Liabilities & Provisions	H		
Current Liabilities		198,536,966	160,115,401
Provisions		<u>30,908,625</u>	<u>38,398,011</u>
		229,445,591	198,513,412
Net Current Assets		418,690,003	384,898,019
Miscellaneous Expenditure	I		
(to the extent not written off or adjusted)		1,171,968	913,013
TOTAL.....		<u>780,033,929</u>	<u>676,007,238</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

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

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

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi
Dated : August 17, 2010



SHIVALIK BIMETAL CONTROLS LIMITED

Consolidated Profit and Loss Account for the Year ended 31st March, 2010



Schedule	Year ended on 31st March 2010 Rupees	Year ended on 31st March 2009 Rupees
INCOME		
Sales	808,020,898	811,953,853
Less : Excise / Custom Duty	47,037,980	62,695,491
Sales (Net)	760,982,918	749,258,362
Services		
Technical Consultancy Services	700,000	1,050,000
Job Work	138,673	152,767
Other Income J	13,870,412	(10,962,991)
Sales & Other Income	775,692,004	739,498,138
EXPENDITURE		
(Increase)/Decrease in Stock K	(11,053,331)	8,308,844
Cost of Raw Material Consumed	444,050,470	441,365,583
Manufacturing & Other Expenses L	226,431,104	193,861,741
Interest & Finance Charges M	31,110,308	32,339,539
Depreciation	18,544,057	16,083,055
Miscellaneous Expenses Written Off	491,134	6,285
	709,573,741	691,965,046
Profit before tax	66,118,263	47,533,092
Provision for Taxation		
-Current Tax	17,915,500	5,223,000
-MAT Credit Entitlement	(472,500)	(3,901,000)
-Deferred Tax	(164,390)	(907,737)
-Fringe Benefit Tax	-	1,576,500
Taxation adjustments of previous years (Net)	1,323,342	(122,462)
Profit after Tax	47,516,310	45,664,791
Profit Brought Forward	196,302,781	185,747,096
Add: MAT Credit Entitlement of previous years	1,405,121	-
Amount Available for Appropriations	245,224,212	231,411,887
APPROPRIATIONS		
Interim Dividend	3,840,280	3,840,280
Tax on Interim Dividend	652,656	652,656
Proposed Final Dividend	4,800,350	4,800,350
Tax on Proposed Final Dividend	797,278	815,820
Transfer to General Reserve	25,000,000	25,000,000
Balance carried to Balance Sheet	210,133,648	196,302,781
	245,224,212	231,411,887
Basic and Diluted Earnings per share(Rs.)	2.47	2.38

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

For and on behalf of the Board

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

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

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi

Dated : August 17, 2010



SHIVALIK BIMETAL CONTROLS LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2010



	Year ended on 31st March, 2010 Rupees	Year ended on 31st March, 2009 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	66,118,263	47,533,092
Adjustments for:		
Depreciation	18,544,057	16,083,055
Interest Paid	31,110,308	32,339,539
Misc. expenses written off	296,134	6,285
Interest Received	(339,701)	(405,657)
Amount Written Back	(4,039,995)	(91,018)
Debtors/ Unrecoverable Amount Written Off	68,266	105,118
Exchange Difference on translation of foreign currency cash & cash equivalent-Loss	(106,813)	(54,333)
(Profit)/Loss on sale of fixed asset	3,373,121	4,598,984
Operating Profit before Working Capital changes	115,023,640	100,115,065
Adjustment for :		
Trade and other receivables	(16,859,823)	13,467,113
Inventories	25,627,610	19,149,150
Trade Payables	43,697,336	(35,084,176)
Loans and Advances	(82,250,082)	(6,583,207)
Other current Assets	(589,850)	(303,400)
Cash generated from operations	84,648,830	90,760,545
Direct taxes paid	(9,339,695)	(4,704,302)
Cash flow from Ordinary items	75,309,135	86,056,243
Extraordinary Items	-	-
Net Cash flow from operating activities	75,309,135	86,056,243
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(174,363,431)	(27,583,900)
Miscellaneous Expenses	(555,090)	(811,742)
Sale of Fixed Assets	8,621,281	2,655,500
Capital Work In Progress	76,025,482	(78,835,102)
Capital Advance	(2,176,262)	(4,433,341)
Interest Received	339,701	405,657
Long Term Investment	-	(200,000)
Net cash (used) in / from investing activities	(92,108,320)	(108,802,928)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Bank Borrowings	(18,179,172)	82,749,395
Vehicle Loan	(631,324)	1,749,291
Term Loan Paid	78,331,047	(13,168,170)
Unsecured Loan	5,164,880	(645,820)
Interest Paid	(31,110,308)	(32,339,539)
Dividend including Dividend Tax paid	(10,008,470)	(11,240,724)
Net Cash (used) in/ from financing activities	23,566,655	27,104,433
NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS	6,767,470	4,357,748
Cash and Cash equivalents as on 1st April,2009 (Opening Balance)	28,940,265	24,528,183
Exchange Difference on translation of foreign currency cash & cash equivalent	106,813	54,333
Cash and Cash equivalents as on 31st March 2010 (Closing Balance)	35,814,548	28,940,264
Cash and Cash equivalents as on 31st March 2010 as per book	35,814,548	28,940,264

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)
CFO - Corporate

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

Sd/-
(S.S. SANDHU)
Chairman

Sd/-
(POOJA HIRANANDANI)
Company Secretary

Place : New Delhi

Dated : August 17, 2010



SHIVALIK BIMETAL CONTROLS LIMITED

Schedules Forming Part of the Consolidated Balance Sheet
as at and Profit & Loss Account for the year ended 31st March, 2010



	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SCHEDULE 'A' - SHARE CAPITAL		
(a) AUTHORISED		
2,50,00,000 Equity Shares (Previous year 2,50,00,000 Equity Shares) of Rs. 2/- each	<u>50,000,000</u>	<u>50,000,000</u>
(b) ISSUED, SUBSCRIBED & PAID-UP		
1,92,01,400 Equity Shares (Previous year 1,92,01,400 Equity Shares) of Rs 2/- each , Fully paid-up	<u>38,402,800</u>	<u>38,402,800</u>
SCHEDULE 'B' - RESERVES AND SURPLUS		
(a) Capital Reserve	6,420,334	6,420,334
(b) General Reserve		
Balance as per last year:	165,000,000	140,000,000
Add:Transferred from profit & loss account	<u>25,000,000</u>	<u>25,000,000</u>
	190,000,000	165,000,000
(c) Profit & Loss Account		
Balance carried forward	<u>210,133,648</u>	<u>196,302,781</u>
	<u>406,553,982</u>	<u>367,723,115</u>
SCHEDULE 'C' - SECURED LOANS		
FROM BANK		
(Secured by hypothecation of stocks, movable properties and Book Debts, both present and future And Equitable mortgage of company's Factory Land and Building).		
Cash Credit / Working Capital Loans	187,438,238	205,617,410
Machinery Term Loan	106,842,513	28,511,466
(Pari passu first charge over the Plants & Machinery of the Company, both present and future, with Himachal Pradesh State Industrial Development Corporation Ltd. for capital subsidy of Rs. 63.63 lakh availed by the company from the Government.)		
(Amount repayable within one year Rs. 160.28 lacs (Previous year Rs. 101.36 lacs))		
Interest Accrued and Due	942,368	267,585
	<u>295,223,119</u>	<u>234,396,461</u>
VEHICLE LOANS		
From Banks	7,058,791	5,944,859
From Others	<u>2,891,632</u>	<u>4,636,887</u>
(Amount repayable within one year Rs. 74.80 lacs (Previous year Rs.51.56 lacs))		
	<u>305,173,542</u>	<u>244,978,208</u>
SCHEDULE 'D' - DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liabilities	21,393,263	22,301,000
Depreciation	306,338	288,560
	<u>21,699,601</u>	<u>22,589,560</u>
Less : Deferred Tax Assets		
Depreciation		746,268
Others	470,728	450,029
	<u>470,728</u>	<u>1,196,297</u>
	<u>21,228,873</u>	<u>21,393,263</u>

SCHEDULE "E" - CONSOLIDATED FIXED ASSETS

Particulars	COST				DEPRECIATION				NET BLOCK	
	As at 01.04.09	Additions	Sale/Transfer during the year	As at 31.03.10	As at 01.04.09	During the Year	ADJUST- MENTS	UPTO 31.03.10	AS AT 31.03.10	AS AT 31.03.09
1. Land (Leasehold)	6,277,894	–	–	6,277,894	164,194	197,032	–	361,226	5,916,668	6,113,700
2. Site Development	1,296,421	–	–	1,296,421	941,997	43,300	–	985,297	311,124	354,424
3. Building	30,336,084	46,577,738	–	76,913,822	8,479,239	1,278,470	–	9,757,709	67,156,113	21,856,845
4. Plant & Machinery	204,042,040	110,965,639	413,804	314,593,875	76,470,800	11,629,166	126,156	87,973,811	226,620,065	127,571,239
5. Furniture & Fixtures	11,803,180	2,403,823	–	14,207,003	3,354,747	819,394	–	4,174,141	10,032,862	8,448,433
6. Vehicles	38,222,134	13,321,961	15,040,212	36,503,883	8,059,126	3,931,989	3,381,234	8,609,881	27,894,002	30,163,008
7. Office Equipment & Appliances	13,475,345	1,553,811	51,990	14,977,166	6,845,098	1,104,248	4,214	7,945,132	7,032,034	6,630,247
TOTAL (Rs.)	305,453,098	174,822,972	15,506,006	464,770,064	104,315,201	19,003,599*	3,511,604	119,807,196	344,962,868	201,137,896
Previous Year	291,216,439	27,583,899	13,347,242	305,453,096	93,983,719	16,424,240	6,092,758	104,315,202	201,137,896	197,232,722
Capital Work-In-Progress									2,581,581	65,889,842
Advances for Capital Expenditure									6,931,901	4,755,639
Machinery in Transit									116,209	4,580,500
Preliminary Project Expenditure pending for Capitalization									1,771,418	–
Pre-operative and Incidental Expenditure pending Capitalization									–	10,024,347

* Depreciation of Rs 4,59,541/- related to ICS-Joint Venture has been included in "Pre-operative and Incidental Expenditure pending Capitalization" which has been allocated to Building and Plant & Machinery during the year.

As at
31st March 2010
Rupees

As at
31st March 2009
Rupees

SCHEDULE 'F' - INVESTMENTS

LONG TERM UNQUOTED SHARES

20,000 Equity Shares (Previous year-20000 Equity shares) of SSWML of Rs.10/-each-Fully paid up

200,000

200,000

200,000

200,000

SCHEDULE 'G' - CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS

INVENTORIES (as taken, valued and certified by Management)

Stores & Spares	4,494,284	3,740,748
Packing Material	479,176	318,469
Tools & Dies	–	194,952
Finished Goods	14,539,780	11,601,967
Finished Goods lying with consignee at Germany	222,892	–
Finished Goods lying in warehouse at Brazil	–	2,999,662
Work-in-progress	50,375,506	40,974,853
Semi-Finished goods	4,079,174	3,904,088
Raw Materials	62,341,042	69,524,194
Scrap	3,351,351	1,478,344
Stock of Stationery	65,349	33,668
Material in Transit	19,372,169	17,965,595
Stock with Bonded Warehouse	36,652,744	68,864,539
	195,973,467	221,601,077

SUNDRY DEBTORS

(Unsecured - Considered Good)

a) Debts outstanding - exceeding Six Months	44,220,316	51,277,183
b) Other Debts	209,736,263	185,887,839
	253,956,579	237,165,022

	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
CASH AND BANK BALANCES		
Cash on hand	363,936	238,494
Cheques-on-hand	8,635,141	97,987
Balance with Scheduled Banks		
Current Accounts	4,521,864	25,382,781
Current Accounts in Foreign Currency	237,145	1,664,877
Margin Money	22,056,462	1,556,125
	35,814,548	28,940,264
OTHER CURRENT ASSETS		
Gold Coins	1,582,425	992,575
LOANS AND ADVANCES		
(Unsecured - Considered Good)		
Advances recoverable in cash or in kind or for value to be received	86,709,948	17,496,409
Excise Duty	32,296,153	20,827,285
Security Deposits	3,956,108	2,388,434
MAT Credit Entitlement	20,431,821	24,211,000
Advance Income Tax /TDS	17,414,545	29,789,365
	160,808,575	94,712,493
	648,135,594	583,411,431
SCHEDULE 'H'- CURRENT LIABILITIES AND PROVISIONS		
CURRENT LAIBILITIES		
SUNDRY CREDITORS		
Due to Micro, Small & Medium Enterprises	465,379	212,603
Other Creditors	103,295,330	142,066,733
Other Liabilities		16,036,291
Unclaimed Dividend		1,799,774
	198,536,966	160,115,401
PROVISIONS		
Interim Dividend	3,840,280	3,840,280
Tax on Interim Dividend	652,656	652,656
Proposed Final Dividend	4,800,350	4,800,350
Tax on Proposed Final Dividend	797,278	815,820
Employee Benefits	1,762,617	1,100,988
Taxation	19,055,444	27,187,917
	30,908,625	38,398,011
	229,445,591	198,513,412
SCHEDULE 'I' - MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	1,468,103	919,298
Less : Expenses Written off	296,135	6,285
	1,171,968	913,013
SCHEDULE 'J' - OTHER INCOME		
Interest	3,892,097	4,396,413
(Tax Deducted at Source Rs. 2,07,737/-, (Previous year Rs. 7,18,467/-))		
Miscellaneous Income	642,712	610,596
Rent Received	302,000	150,000
(Tax Deducted at Source Rs.50,848/- (Previous year Rs.34,906/-)		
Premium / Discount on Forward Contract	-	1,529,490
Liabilities no more payable Written Back	4,039,995	91,018
Gain / (Loss) on Foreign Exchange Fluctuaions	4,993,608	(17,740,508)
	13,870,412	(10,962,991)

Year Ended on 31st March 2010 Rupees	Year Ended on 31st March 2009 Rupees
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SCHEDULE 'K' - MOVEMENT IN STOCK

Opening Stock

Finished Goods	14,601,630	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
	60,958,915	70,525,820

Closing Stock

Finished Goods	14,762,672	14,601,629
Work in Progress	50,375,506	40,974,853
Semi-Finished Goods	4,079,174	3,904,088
Scrap	3,321,418	1,478,344
	72,538,770	60,958,914

Add/(Less): Excise duty variation on opening/closing stock

526,524 (1,258,062)

(Increase)/Decrease

(11,053,331) **8,308,844**

SCHEDULE 'L' - MANUFACTURING & OTHER EXPENSES

Stores & Spares Consumed	12,813,609	10,676,942
Power & Fuel	7,025,480	5,990,217
Salaries , Wages & Bonus	37,988,981	34,756,259
Employee's Welfare and Other Amenities	6,765,123	6,524,489
Machinery Repairs	9,277,795	7,075,543
Building Repairs	2,764,877	1,262,977
Other Repairs	7,103,387	6,293,740
Processing Charges	7,674,065	4,552,031
Lease Charges	3,000	6,000
Research & Development	1,567,661	1,517,660
Insurance	6,008,931	6,127,621
Rent	1,968,126	1,252,039
Rates & Taxes	397,152	515,852
Managerial Remuneration	11,650,716	11,525,166
Travelling & Conveyance	11,613,352	12,472,282
Electricity and Water Charges	1,303,701	966,885
Printing & Stationery	1,005,810	1,017,543
Communication Expenses	1,529,454	1,646,388
Professional and Consultancy Charges	6,313,820	4,152,395
Charity and Donations	137,900	91,953
Wealth Tax	176,617	178,505
Business Promotion /Development, Advertisement & Publicity	8,300,355	2,807,814
Commission on Sales	34,609,439	31,228,248
Packing Cost	31,085,678	22,357,201
Forwarding & Freight	8,665,245	10,685,819
Irrecoverable Debts Written off	68,266	105,118
Loss on sale of Fixed Assets	3,373,121	4,598,984
Miscellaneous Expenses	5,239,445	3,476,070
	226,431,104	193,861,741

SCHEDULE 'M' - INTEREST & FINANCE CHARGES

Interest on Term Loans	3,744,576	3,923,868
Interest (Others)	24,833,422	25,753,569
Bill Discounting Charges	2,532,310	2,662,102
	31,110,308	32,339,539

SCHEDULE-"N" - Significant Accounting Policies and Notes to Accounts

Significant Accounting Policies

1. BACKGROUND

Shivalik Bimetal Controls Ltd. (referred to as "SBCL", "Parent" or "the Company") was incorporated in 1984. The Company is carrying on the business of manufacturing Thermostatic Bimetal / Trimetal strips & parts, parts of colour picture tubes and Shunt material. SBCL has the following subsidiary and Joint Venture as on 31st March 2010:

- 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.
- 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. CSCS has also established Unit-II for the manufacture of Toplay and Revits which has started commencement of commercial production with effect from 30th March 2010.
- Innovative Clad Solutions Pvt. Ltd. (referred to as "ICS"), a company incorporated in India, is a Joint Venture Company wherein 33.33% of its Shares are held by the Company. ICS has set up facilities for manufacturing of Clad products at SEZ Pithampur, Indore, M.P., and has commenced commercial production from 2nd of February, 2010.

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 31st March 2010 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.

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

(i) Inventories

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

(ii) Depreciation

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

(iii) Fixed Assets

- Expenses of Rs. 28.77 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)" and the same has allocated on Building and Plant & Machinery on commencement of commercial production.

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	52.50	61.29
ii) Letters of credit established by the bank	601.16	88.53
iii) Bills Discounted	159.14	75.70
iv) Custom duty on Material imported against Advance Licence / for pending export obligation	2.31	26.47
v) Custom duty foregone on import of Raw Material and Capital Goods, being Joint Venture Co. in SEZ	99.67	84.48
vi) Corporate Guarantee on behalf of JV Company	121.00	121.00
vii) Surety with Sales Tax Department	4.00	2.50

(b)

Estimated amount of contracts (net of advance) remaining to be executed on capital account and not provided for	166.82	415.76
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- The financial risk mainly relating to changes in the exchange rates in respect of payables including firm commitments are hedged by forward contracts aggregating to Rs. 751.73 lacs (Previous Year Nil/-) outstanding as on March 31, 2010.
- A sum of Rs. 4.88 lacs is payable to M/s Nosta Sea & Air GmbH, Germany towards freight charges of Equipment from Mumbai port to Pithampur. M/s Nosta Sea & Air GmbH, Germany has represented that no TDS is deductible, since they do not have any Permanent Establishment (PE) in India.
Pending final determination of the status of M/s Nosta Sea & Air GmbH, Germany, the company has provided the aforesaid liability in its Books of accounts as on 31st March 2010.
- In compliance with the Notification dated March 31, 2009 issued by Ministry of Corporate Affairs and according to the newly inserted paragraph 46 of the Accounting Standard -11 "The effect of Changes in Foreign Exchange Rates", the company has adjusted Rs. 7.34 lacs (Previous Year Rs. 5.80 lacs) to the cost of relevant fixed assets.
- 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	6.00	0.03
ii) Lease rental due later than one year but not later than five years	24.00	—
iii) Lease rental due later than five years	29.50	—

- "Related Party Disclosure" for the year ended 31st March, 2010 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.	
14.	Vishesh Credits Pvt. Ltd.	

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

Nature of Transaction	(i)		(ii)	
	Key Management Personnel		Related Enterprises / Person	
	Current Year	Previous Year	Current Year	Previous Year
Managerial Remuneration	116.57	115.25	- Nil -	- Nil -
Checon Shivalik Contact Solutions Pvt. Ltd.				
– Rent Received	- Nil -	- Nil -	6.66	3.36
– Raw Material & Capital Goods Sold	- Nil -	- Nil -	6.52	3.17
– Raw Material Purchased	- Nil -	- Nil -	0.22	-
– Other Expenses	- Nil -	- Nil -	7.86	5.45
			21.26	11.98
Innovative Clad Solutions Pvt. Ltd.				
– Equity Shares	- Nil -	- Nil -	245.00	487.00
– Share Application Money	- Nil -	- Nil -	75.00	245.00
– Goods Sold	- Nil -	- Nil -	1.99	0.02
– Other Expenses	- Nil -	- Nil -	1.23	5.98
			323.22	732.01
Shivalik Bimetal Engineers Pvt. Ltd.				
– Equity Shares	- Nil -	- Nil -	4.50	- Nil -
– Other Expenses	- Nil -	- Nil -	0.26	1.80
			4.76	1.80
Remuneration in pursuant to Section 314 of the Companies Act 1956 for holding an office or place of profit.	-Nil-	-Nil-	21.34	27.63
Office Rent Paid to enterprises mentioned in point iv(a)(b)(c)	-Nil-	-Nil-	6.77	4.37

7. Earnings Per Share

	Year ended 31.03.10	Year ended 31.03.09
Net profit attributable to shareholders (Rs in Lacs)	475.16	456.65
Weighted average number of equity shares (No. in Lacs)	192.014	192.014
Basic Earnings per share of Rs.2/- each (in Rs.)	2.47	2.38

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	2009-10 Rupees	2008-09 Rupees
Employer's Contribution to Provident Fund	21.19	15.28
Employer's Contribution to Pension Scheme	10.90	10.31

(ii) Defined Benefit Plan

(a) Gratuity

(b) Leave Encashment

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

Particulars	2009-10		2008-09	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	8.00%	8.00%	7.50%	7.50%
Rate of escalation in Salary (per annum)	6.00%	6.00%	5.00%	5.00%
Expected Rate of return on plan assets (per annum)	9.15%	–	9.15%	–
Expected Average remaining working lives of employees in no. of years	24.10	24.16	24.29	24.09
Mortality Table (LIC)	(1994-96) duly modified		(1994-96) duly modified	

(Rs. in Lacs)

Sr.No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2009-10	2008-09	2009-10	2008-09
(a) Changes in Present Value of Obligation					
	Opening balance of Present value of obligation	51.20	40.22	10.33	8.26
	Interest Cost	4.09	3.01	0.82	0.62
	Current Service Cost	4.95	4.68	2.20	1.55
	Benefits Paid	(4.56)	(0.79)	(1.28)	(1.66)
	Actuarial (Gain)/Loss on Obligation	3.77	4.07	1.83	1.46
	Closing Balance of Present value of obligation	59.45	51.19	13.90	10.23
(b) Changes in Fair Value of Plan Assets					
	Opening balance of Fair Value of Plan Assets	50.63	38.47	–	–
	Expected Return on Plan Assets	4.63	3.52	–	–
	Employer's Contribution	5.55	9.34	–	–
	Benefits paid	(4.56)	(0.79)	–	–
	Actuarial Gain/ (Loss) on Plan Assets	(0.15)	0.10	–	–
	Closing balance of Fair value of Plan Assets	56.10	50.64	–	–
	Actual return on Plan Assets	4.48	3.62	–	–

Sr.No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		2009-10	2008-09	2009-10	2008-09
(c)	Percentage of each category of Plan Assets to total Fair value of Plan assets				
	Administered by Life Insurance Corporation of India	100%	100%	–	–
(d)	Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets				
	Closing Balance of Present Value of Obligation	59.45	51.19	13.90	10.23
	Closing Balance of Fair Value of Plan Assets	56.10	50.64	–	–
	(Asset)/ Liability recognised the Balance Sheet	3.35	0.55	13.90	10.23
(e)	Amount Recognised in the Balance Sheet				
	Closing Balance of Present Value of Obligation	59.45	51.19	13.90	10.23
	Closing Balance of Fair Value of Plan Assets	56.10	50.64	–	–
	Funded (Asset)/ Liability recognised the Balance Sheet	2.90	0.48	–	–
	Unfunded Liability recognised in the Balance Sheet	0.45	0.07	13.90	10.23
(f)	Expenses recognised in the statement of Profit and Loss				
	Current Service Cost	4.95	4.68	2.20	1.56
	Interest Cost	4.09	3.01	0.82	0.62
	Expected Return on Plan Assets	(4.63)	(3.52)	–	–
	Net Actuarial (Gain)/Loss recognised in the period	3.93	3.97	1.83	1.46
	Expenses recognized in the statement of Profit and Loss	8.34	8.14	4.85	3.64
(g)	Experience Adjustments				
	Experience adjustment on Plan Liabilities (loss)/gain	(3.77)	(3.94)	(1.14)	(1.46)
	Experience adjustment on Plan Assets (loss)/ gain	0.15	0.10	–	–
(h)	Expected employer contribution for the next year	9.52	7.67	2.90	1.38

9. The balances of Sundry debtors and Creditors are 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. 19.00 lacs (Previous year Rs. 18.00 lacs).
12. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of suppliers as defined under the “Micro, Small and Medium Enterprises Development Act, 2006”. As per Information available with the Company amount overdue at the year end on account of principal amount is Rs. 4,63,379/- (Previous year 25,00,290/-) 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 31.03.2010	Rs.118.96 Lacs	Rs. 827.00 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 st March 2010 (Rs. in Lacs)	As At 31 st March 2009 (Rs. in Lacs)	As At 31 st March 2010 (Rs. in Lacs)	As At 31 st March 2009 (Rs. in Lacs)
I ASSETS				
1 Fixed Assets(including Capital Work in Progress)	133.35	88.89	1565.04	900.08
2 Investments	–	–	–	–
3 Current Assets, Loans & advances				
a) Inventories	74.64	42.60	58.05	2.45
b) Sundry Debtors	29.93	142.26	0.39	0.06
c) Cash and Bank Balance	29.54	2.96	190.70	188.82
d) Other current Assets	0.51	0.16	1.46	1.31
e) Loans & Advances	39.70	27.42	39.00	16.28
4 Miscellaneous Expenditure	–	–	11.59	8.95
5 Profit & Loss Account	–	–	61.38	–
II LIABILITIES				
1 Shareholders' Funds-Reserves & Surplus	215.30	175.96	827.00	752.00
2 Secured Loan	24.82	26.46	914.80	8.06
3 Deferred Tax (Net)	7.89	2.91	–	–
4 Current Liabilities and Provisions				
a) Liabilities	46.96	83.89	184.96	355.42
b) Provisions	12.70	15.07	0.85	2.47
	For the year ended 31st March 2010	For the year ended 31st March 2009	For the year ended 31st March 2010	For the year ended 31st March 2009
III INCOME				
1 Sales (Net of Excise Duty/Custom Duty)	253.76	469.80	2.32	–
2 Other Income	39.44	(10.30)	2.34	–
IV EXPENSES				
1 Operating Expenses	253.79	384.58	39.11	–
2 Depreciation	5.48	3.57	11.80	–
3 Interest	3.41	5.75	14.93	–
4 Profit Before Taxation	30.52	65.60	(61.18)	–
5 Provision for Taxation (including deferred taxation & fringe benefit tax)	5.24	10.04	0.20	–
6 Profit after Tax	25.28	55.56	(61.38)	–
V OTHER MATTERS				
1 Contingent Liabilities	1.00	0.50	39.64	84.48
2 Capital Commitments	0.85	0.89	2.70	227.68

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

	Checon Shivalik Contact Solutions Pvt. Ltd.		Innovative Clad Solutions Pvt. Ltd.	
	2009-10	2008-09	2009-10	2008-09
Opening Balance of Reserves	107.37	51.81	–	–
Add : Group share of Profits for the year	39.34	55.56	–	–
Closing Balance of Reserves	146.71	107.37	–	–

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 Third Annual Report of the Company and the Audited Accounts of the Company for the financial year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS

(Rs. in Thousands)

PARTICULARS	YEAR 2009-2010	YEAR 2008-2009
Income (net of service tax)	700	1,050
Other Income	4	3
Total Income	704	1,053
Operating Expenditure	632	977
Profit before Interest, Depreciation, Amortization & Tax	72	76
Interest	—	—
Profit after interest and before Depreciation, Amortization & Tax	72	76
Miscellaneous Exp Written off	6	6
Depreciation	7	5
Profit before Taxes	59	65
Provision for Taxes	24	25
Profit after Tax	35	40
Balance brought forward from Previous Year	229	189
Balance carried to Balance Sheet	264	229

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 third year of operations, the company has achieved a total income (net of service tax) of Rs. 7.04 Lacs (Prev. Year Rs.10.53 Lacs) and a profit after tax of Rs. 0.35 Lacs (Prev. Year 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. D. J. S. Sandhu is to retire by rotation and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the year 2009-2010, 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 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 31st March, 2010 and of the Profit of the Company for the year ended 31st March, 2010;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going-concern basis.

AUDITORS

M/s Malik S & 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, 2010 as per section 217 2(A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGMENTS

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

The 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)
Director

Sd/-
(N. S. Ghumman)
Director

Place: New Delhi

Date : June 14, 2010

ANNEXURE TO THE DIRECTORS' REPORT

A. 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, 2010, 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
 - 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
(Firm Reg. No. : 00383N)

-Sd-

SURESH MALIK
Proprietor
M. No. 080493

Place : New Delhi
Date : June 14, 2010

SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED

Balance Sheet as at 31st March, 2010



	Schedule	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	550,000	100,000
Share Application Money		—	450,000
Reserves & Surplus	B	264,243	228,812
Loan Funds			
Deferred Tax Liability	C	6,873	5,763
	TOTAL	<u>821,116</u>	<u>784,575</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	39,978	39,978
Less: Depreciation		11,340	4,860
Net Block		<u>28,638</u>	35,118
Current Assets , Loans & Advances			
Sundry Debtors	E	693,898	575,367
Cash and Bank Balances		76,329	184,172
Loans & Advances		203,292	215,118
		973,519	974,657
Less : Current Liabilities & Provisions	F		
Current Liabilities		140,319	129,030
Provisions		53,291	115,024
		193,610	244,054
Net Current Assets		779,909	730,603
Miscellaneous Expenditure	G	12,569	18,854
(To the extent not written off or adjusted)			
	TOTAL	<u>821,116</u>	<u>784,575</u>

Significant Accounting Policies and Notes to Accounts "Schedule H"
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/-
(S.S. SANDHU)
Director

Sd/-
(N.S. GHUMMAN)
Director

Place : New Delhi
Date : June 14, 2010

SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED

Profit and Loss Account for the year ended 31st March, 2010



Schedule	Year ended on 31st March 2010 Rupees	Year ended on 31st March 2009 Rupees
INCOME		
Technical Consultancy Services	700,000	1,050,000
Other Income	3,990	3,475
TOTAL	703,990	1,053,475
EXPENDITURE		
Salary, Wages & Other Amenities	574,217	905,818
Professional & Consultancy Charges	22,637	30,000
Audit Fee	10,000	10,000
Travelling & Conveyance Expenses	14,510	25,063
Telephone Expenses	4,150	3,200
Other Expenses	6,170	2,905
Depreciation	6,480	4,860
Miscellaneous Expenses Written off	6,285	6,285
TOTAL	644,449	988,131
Profit before Tax	59,541	65,344
Provision For Taxation		
-Current Tax	23,000	18,000
-Deferred Tax Liability/(Assets)	1,110	5,763
-Fringe Benefit Tax	-	2,000
Profit after Tax	35,431	39,581
Profit Brought Forward	228,812	189,231
Balance Carried to Balance Sheet	264,243	228,812
Basic and Diluted Earnings per Share (Rs.)	0.94	3.96

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

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/-
(S.S. SANDHU)
Director

Sd/-
(N.S. GHUMMAN)
Director

Place : New Delhi
Date : June 14, 2010

SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2010



	Year Ended on 31st March, 2010 Rupees	Year ended on 31st March, 2009 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	59,541	65,344
Adjustment for :		
Depreciation	6,480	4,860
Miscellaneous Expenditure Written off	6,285	6,285
Gratuity & Leave Encashment	6,023	5,928
Interest Received	(3,513)	(3,475)
Operating Profit before Working Capital Changes	74,816	78,942
Adjustment for :		
Trade Receivables	(118,531)	(222,613)
Loans and Advances	(495)	(86)
Trade Payables & Other Liabilities	11,289	21,813
Cash generated from Operations	(32,921)	(121,944)
Direct Taxes Paid	(78,435)	(173,290)
Net Cash from Operating Activities	(111,356)	(295,234)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(0)	(39,978)
Preliminary Expenses	-	-
Interest Received	3,513	3,475
Net Cash used in / from Investing Activities	3,513	(36,503)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Equity Share Capital/Share	-	-
Application Money	-	-
Proceeds from Bank Borrowings	-	-
Loans	-	(38,991)
Net Cash used in / from Financing Activities	-	(38,991)
Net Increase / (Decrease) in Cash & Cash Equivalents	(107,843)	(370,728)
Cash and Cash Equivalent as on 1st April 2009 (Opening Balance)	184,172	554,900
Cash and Cash Equivalent as on 31st March 2010 (Closing Balance)	76,329	184,172
Cash and Cash Equivalent as on 31st March 2010 (As per Books)	76,329	184,172

As per our report of even date

For MALIK S & CO.

Chartered Accountants

Sd/-
SURESH MALIK
Proprietor
M.No. 080493

Place : New Delhi
Date : June 14, 2010

For and on behalf of the Board

Sd/-
(S.S. SANDHU)
Director

Sd/-
(N.S. GHUMMAN)
Director

Schedules Forming part of the Balance Sheet as at 31st March, 2010

	As At 31st March 2010 Rupees	As At 31st March 2009 Rupees
SCHEDULE 'A' SHARE CAPITAL		
AUTHORISED		
1,00,000 Equity Shares (Previous year 1,00,000 Equity Shares) of Rs. 10/- each	1,00,000	1,00,000
ISSUED , SUBSCRIBED & PAID-UP		
55,000 Equity Shares (Previous year 10,000 Equity Shares) of Rs. 10/- each , Fully Paid -up	550,000	100,000
SCHEDULE 'B' RESERVES & SURPLUS		
Profit & Loss Account		
Balance carried forward	264,243	228,812
SCHEDULE 'C' DEFERRED TAX LIABILITY/(NET)		
Deferred Tax Liabilities:	5,910	-
Depreciation	963	5,910
	6,873	5,910
Less: Deferred Tax Assets:	147	-
Employee's Benefits/(Deferred Assets W/back)	(147)	147
	-	147
	6,873	5,763

SCHEDULE "D" - FIXED ASSETS

Particulars	COST				DEPRECIATION				NET BLOCK	
	As at 01.04.09	Additions	Sale/Transfer during the Period	As at 31.03.10	As at 1.04.2009	During Financial Year 2009-10	Adjustment During the Year	UPTO 31.03.10	AS AT 31.03.10	As at 31.03.09
Office Equipment & Appliances	39,978	–	–	39,978	4,860	6,480	–	11,340	28,638	35,118
TOTAL (Rs.)	39,978	–	–	39,978	4,860	6,480	–	11,340	28,638	35,118
Previous Year	–	39,978	–	39,978	–	4,860	–	4,860	35,118	–

SCHEDULE 'E' CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS

SUNDRY DEBTORS

(Unsecured - Considered Good)

Debts outstanding -exceeding six months

Other Debts

473,298

220,600

693,898

575,367

CASH AND BANK BALANCES

Cash on Hand

5,772

In Current Account with Punjab National Bank

70,557

76,329

184,172

LOANS & ADVANCES

(Unsecured -Considered Good)

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

Advance Income Taxes/TDS

1,817

201,475

772,044

1,322

213,796

760,861

SCHEDULE 'F' CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

SUNDRY CREDITORS

Due to Micro, Small and Medium Enterprises

Others

Other Liabilities

–

13,030

13,030

127,289

140,319

14,030

115,000

129,030

PROVISIONS

Income Tax

Fringe Benefit Tax

Employees' Benefits

38,244

2,000

13,047

53,291

193,610

106,000

2,000

7,024

115,024

244,054

Total

SCHEDULE 'G' MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary Expenses

Less: Expenses Written off

18,854

6,285

12,569

25,139

6,285

18,854

SCHEDULE 'H' 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.

4. Depreciation

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

5. Revenues recognition and Receivables

The revenues are recognized, on the completed service contract method basis, as and when services are rendered on accrual basis when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering of services. All service revenues are recognized net of applicable Service tax, Surcharge and Cess.

6. 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.

7. Employee Benefits

i) 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.

ii) Defined Benefit Plans:

The employees' gratuity is a defined benefit plan. The present value of the obligation under such plan is determined 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.

iii) Liability in respect of leave encashment is provided by using the projected unit credit method same as above.

8. Earnings Per Share

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

9. Provision for Current and Deferred Tax

- Tax on income for the current period is determined on the basis of taxable income after taking into consideration deductions admissible under the provisions of the Income Tax Act, 1961, and based on the outcome of assessments.
- Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.
- Deferred tax asset is recognized and carried forward to the extent that there is a reasonable/virtual certainty that the asset will be realized in future.

10. 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.

11. Miscellaneous expenditure to the extent not written off

Expenses incurred towards incorporation and issuance of shares are classified under "Miscellaneous expenditure" and are written off equally over a period of five years.

B. NOTES TO ACCOUNTS

1. Contingent Liability and Capital Commitments -NIL.

2. "Related Party Disclosure" for the year ended 31st March, 2010 in accordance with AS-18 Related Party Disclosures issued by the Institute of Chartered Accountants of India :

* Key Management Personnel

Mr. S. S. Sandhu	Director
Mr. D. J. S. Sandhu	Director

* Others

Shivalik Bimetal Controls Limited	Holding Company
-----------------------------------	-----------------

The company has reimbursed a sum of Rs. 26,500/- to Shivalik Bimetal Controls Limited towards expenses incurred by it on behalf of the company.

3. 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.

4. Earnings Per Share

	Year Ended 31-03-2010	Year Ended 31-03-2009
Net Profit attributable to equity shareholders	Rs. 35,431	Rs. 39,581
Weighted average number of equity shares	37,616	10,000
Basic and Diluted earnings per share of Rs. 10/-each (In Rs.)	Rs. 0.94	Rs. 3.96

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' (Excluding Service Tax)**

	Year Ended 31-03-2010	Year Ended 31-03-2009
Audit Fees	Rs. 10,000	Rs. 10,000

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	2009-10	2008-09
(a)	Employer's Contribution to Provident Fund	7,626	17,804
(b)	Employer's Contribution to Pension Scheme	17,334	20,588

(II) Defined Benefit Plan

- (a) Gratuity
- (b) Leave Encashment

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

Particulars	2009-10		2008-09	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discounting Rate (per annum)	8.00%	8.00%	7.50%	7.50%
Rate of escalation in Salary (per annum)	6.00%	6.00%	5.00%	5.00%
Expected Rate of return on plan assets (per annum)	-	-	-	-

Particular	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
(a) Changes in Present Value of Obligation				
Opening balance of Present value of obligation	6547	545	477	551
Interest Cost	-	-	-	-
Current Service Cost	6500	6002	-	-
Benefits Paid	-	-	-	-
Actuarial (Gain)/Loss on Obligation	-	-	(477)	(74)
Closing Balance of Present value of obligation	13047	6547	-	477
(b) Changes in Fair Value of Plan Assets				
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 (Unfunded)		Leave Encashment (Unfunded)	
	2009-10	2008-09	2009-10	2008-09
(c) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets				
Closing Balance of Present Value of Obligation	13047	6547	–	477
Closing Balance of Fair Value of Plan Assets	–	–	–	–
(Asset)/ Liability recognised the Balance Sheet	13047	6547	–	477
(d) Amount Recognised in the Balance Sheet				
Closing Balance of Present Value of Obligation	13047	6547	–	477
Closing Balance of Fair Value of Plan Assets	–	–	–	–
Funded (Asset)/ Liability recognised the Balance Sheet	–	–	–	–
Unfunded Liability recognised in the Balance Sheet	13047	6547	–	477
(e) Expenses recognised in the statement of Profit and Loss				
Current Service Cost	6500	6002	–	–
Interest Cost	–	–	–	–
Expected Return on Plan Assets	–	–	–	–
Net Actuarial (Gain)/Loss recognised in the period	–	–	(477)	(74)
Expenses recognized in the statement of Profit and Loss	6500	6002	(477)	(74)

8. The corresponding figures of previous year 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 31.3.2010

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) 450

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

Total Liabilities 1,015
Total Assets 1,015

SOURCE OF FUNDS :

Paid-up Capital 550
Share Application Money –
Reserves & Surplus 264
Secured Loans –
Unsecured Loans –
Deferred Tax Liability 7

APPLICATION OF FUNDS :

Net Fixed Assets 29
Investments –
Net Current Assets 780
Misc. Expenditure 13

IV Performance of the Company (Amount in Rupees Thousand)

Turnover 704
Total expenditure 644
Profit before Tax 60
Profit after Tax 35
Earning per share in Rs. 0.94
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.

Name and Address of the Shareholder

Folio / Client ID No. :

No. of Shares held: - - - - -

I hereby record my presence at the **26th Annual General Meeting** of the Company held on Friday the 24th September, 2010 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 **26th Annual General Meeting** of the Company to be held on Friday the 24th September, 2010 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.....2010

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