

20th Annual Report 2012-13



Mount Shivalik Industries Ltd.

MOUNT SHIVALIK INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. B. D. Bali	Chairman & Managing Director
Mr. Sanjiv Bali	Managing Director
Mr. K. C. Garg	Director Finance
Mr. Rajiv Bali	Director
Mr. Kamal Dutt	Director
Mr. A. L. Batra	Director
Mr. J. M. Malhotra	Director
Mr. Raghbir Singh	Director
Mr. S. K. Chhibber	Director
Dr. K. S. Chugh	Director

COMPANY SECRETARY

Mr. Sudipto Kumar Mukherjee

AUDITORS

M/s. K. C. Khanna & Co.
Chartered Accountants,
New Delhi

BANKERS

Oriental Bank of Commerce

REGISTRAR & SHARE TRANSFER AGENTS (RTA)

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

REGISTERED OFFICE

140th Milestone, Delhi - Jaipur Highway No.8,
Village Gunti, Tehsil Behror,
Distt. Alwar, Rajasthan

HEAD OFFICE

C-153/2, Okhla Industrial Area,
Phase - I, New Delhi - 110 020

CONTENTS

	PAGE NO.
Notice of Annual General Meeting	2
Directors' Report	8
Management Discussion & Analysis Report	12
Report on Corporate Governance	14
Corporate Governance Compliance Certificate	23
Auditors' Report	24
Balance Sheet	28
Statement of Profit & Loss	29
Cash Flow Statement	30
Attendance Slip & Proxy Form	51-52

MOUNT SHIVALIK INDUSTRIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Twentieth Annual General Meeting** of the Members of **Mount Shivalik Industries Limited** will be held on Monday, the 30th Day of December, 2013, at 3.00 P.M., at the Registered Office of the Company at 140th Milestone, (Delhi-Jaipur) National Highway No. 8, Village Gunti, Tehsil Behror, Distt. Alwar (Rajasthan) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at June 30, 2013, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. K. Chhibber, who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. L. Batra, who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. J. M. Malhotra, who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT M/s. K. C. Khanna & Co., Chartered Accountants, New Delhi, who retire at the conclusion of this Annual General Meeting, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

6. RE-APPOINTMENT OF MR. B. D. BALI AS CHAIRMAN & MANAGING DIRECTOR

To Consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and any other applicable provisions of Companies Act, 2013, and subject to the approval of the Central Government, if necessary, the approval of the Company be and is hereby accorded to re-appoint Mr. B. D. Bali as Managing Director (Designated as Chairman & Managing Director) of the Company w.e.f. 1st January, 2014 for a period of 3 years i.e. upto 31st December, 2016, on the following terms of the remuneration;

i) Commission:

Such amount of commission calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors (subject to a maximum of 2% of the net profit), which together with monetary value of perquisites, shall not exceed the ceiling laid down in the Companies Act, 1956.

ii) Such other benefits, amenities, facilities and perquisites as per the rules of the Company as applicable to executives and as may be permitted by the Board of Directors.

Provided that the remuneration payable (including commission, benefits, amenities, facilities and perquisites does not exceed the limit laid down in Section 198 and 309 and Schedule XIII of the Companies Act, 1956 and any other provisions of the Companies Act, 2013 and any other statutory provision, modification or re-enactment thereof.”

MOUNT SHIVALIK INDUSTRIES LIMITED

7. INCREASE OF BORROWING LIMIT OF THE COMPANY

To Consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the resolution passed at the 18th Annual General Meeting of the Company held on 29th September, 2011, the consent of the Company be and is hereby accorded, in accordance with section 180(1)(c) of Companies Act, 2013 (notified on 12/09/2013) and all other applicable provisions, if any, of the Companies Act, 1956 and Companies Act, 2013 (notified on 12/09/2013), to the Board of Directors of the Company, to borrow any sum or sums of money from time to time at their discretion, for the business purposes of the Company, which together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid up capital of the Company and its free reserves (that is to say, reserve, not set apart for any specific purpose), however the aggregate of monies borrowed shall not exceed ₹40,00,00,000/- (Rupees Forty Crores only) at any time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of directors or a Committee thereof be and is hereby authorized to finalise, settle and execute/delegate authority to sign such documents/deeds/writing/papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to borrowings as aforesaid.”

Dated: 2nd December, 2013

**By order of the
Board of Directors**

Registered Office:

140th Milestone,
[Delhi-Jaipur] National Highway No. 8,
Village Gunti, Tehsil Behror
Distt. Alwar, Rajasthan
Email id: shares@mountshivalik.com

**Sd/-
(Sudipto Kumar Mukherjee)
Company Secretary**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK PROXY FORM IS ANNEXED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.
2. The Person appointed as proxy shall not act on behalf of more than 50 members pursuant to the provisions of Section 105 (1) of the Companies Act, 2013 (notified on 12/09/2013).
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.
4. Brief resume of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement.

MOUNT SHIVALIK INDUSTRIES LIMITED

5. A Statement pursuant to Section 102 of the Companies Act, 2013 (notified on 12/09/2013), relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. Register of members and Share Transfer Books of the Company shall remain closed for a period of Five days from 26th day of December, 2013 to 30th day of December, 2013 (both days inclusive).
7. Members are requested to quote their Folio Number or DP ID and Client ID in all their correspondence with the Company. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID for easy identification of attendance at the meeting and number of shares held by them.
8. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
9. Members desirous of having any information regarding accounts are requested to address their queries to 'The Company Secretary' at the registered office of the Company at 140th Milestone, (Delhi-Jaipur) National Highway No. 8, Village Gunti, Tehsil Behror, Distt. Alwar (Rajasthan), atleast ten days before the meeting, so that the requisite information is made available at the meeting.
10. Members are requested to bring with them the attendance slip and hand it over at the entrance duly signed by them.
11. Members attending the Annual General Meeting are requested to bring along with them their copies of the Annual Report, as the same will not be distributed at the meeting.
12. The trading in the Company's Shares is compulsory in dematerialized form. In view of the numerous advantages offered by the depository system, members are requested to avail of the facility of Dematerialization of the Company's Shares.
13. Members are also requested to notify any changes in their addresses immediately to the Registrar & Share Transfer Agent - M/s. MAS Services Ltd, T-34, II Floor, Okhla Industrial Area, Phase-II, New Delhi - 110020.
14. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 the dividend which remains unclaimed for a period of seven years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to the provisions of Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend transfer to the said fund is given below:

Financial Year ended	Date of declaration of dividend	Last date for claiming unclaimed dividend	Due date for transfer to IEP Fund
31.03.2007	28.09.2007	27.10.2014	28.10.2014
31.03.2008	26.09.2008	25.10.2015	26.10.2015
31.03.2009	29.09.2009	28.10.2016	29.10.2016

15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address with Registrar & Share Transfer Agent - M/s. MAS Services Ltd, so that they can receive the Annual Report and other communication from the Company electronically.

Dated: 2nd December, 2013

By order of the Board of Directors

Registered Office:

140th Milestone,
(Delhi-Jaipur) National Highway No. 8,
Village Gunti, Tehsil Behror, Distt. Alwar, Rajasthan
Email id: shares@mountshivalik.com

**Sd/-
(Sudipto Kumar Mukherjee)
Company Secretary**

MOUNT SHIVALIK INDUSTRIES LIMITED

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 6:

Mr. B D Bali's details about the qualification, experience, other directorship etc. has been given in Annexure-A.

Mr. B. D. Bali was acting as Managing Director of the Company since incorporation, therefore, Company has progressed well during his tenure as Managing Director; the Directors of the Company thought fit to recommend his re-appointment for another term of 3 years effective from 01.01.2014 to 31.12.2016. His re-appointment is in the interest of the company as his association will bring further progress and help in expansion and diversification activities of the Company. This may be treated as an abstract under section 302 of the Companies Act, 1956.

The Board of Directors of your Company recommended passing the resolution set out under item no. 6 as a Special Resolution.

Mr. B. D. Bali is concerned and interested in the above resolution to the extent of his appointment and Mr. Sanjiv Bali, Managing Director and Mr. Rajiv Bali, Director of the Company, being related to Mr. B. D. Bali, are also interested in the above resolution. No other director is in any way concerned or interested in the above resolution.

ITEM NO. 7

As per the provision of Section 180(1)(c) of the Companies Act, 2013 (notified on 12/09/2013), the Board of Directors of the Company cannot, borrow monies in excess of aggregate paid up capital and free reserves of the Company except with the permission of shareholders in the General meeting by special resolution.

The company is in the process of continuously modernizing the brewery operations and therefore Company's working capital requirement has also increased. Company has also been expanding its hospitality business over the years. Hence the Company requires to raise funds from various sources for meeting such financial requirement for achieving the said growth plans.

Your Directors recommend the resolution for adoption by way of special resolution.

None of the Directors are interested in the above resolution.

Dated: 2nd December, 2013

By order of the Board of Directors

Registered Office:

140th Milestone,
(Delhi-Jaipur) National Highway No. 8,
Village Gunti, Tehsil Behror
Distt. Alwar, Rajasthan
Email id: shares@mountshivalik.com

Sd/-
(Sudipto Kumar Mukherjee)
Company Secretary

MOUNT SHIVALIK INDUSTRIES LIMITED

ANNEXURE-A

INFORMATION REQUIRED TO BE FURNISHED UNDER LISTING AGREEMENT

As required under Listing Agreement the information of the Directors who are proposed to be appointed/re-appointed is given below:

- 1 Name : Mr. S. K. Chhibber
Age : 93 Years
No of Shares held : NIL Equity Shares
Qualification & Experience : M.A., IAS (Retired)
He Held senior administrative position with the Central and State Government for 35 years including his services as Lt. Governor of State of Mizoram.
- Other Directorships : Asian Hotels (West) Ltd
Mount Shivalik Investments Ltd
Mount Shivalik Breweries Ltd.
Aria Hotels and Consultancy Services Pvt. Ltd.
- Chairman/Member of Committees of the Board of Companies of which he is a Director : Remuneration Committee (Member)
- 2 Name : Mr. A L Batra
Age : 80 Years
No of Shares held : NIL Equity Shares
Qualification & Experience : Graduate
Over 45 years in handling different Manufacturing Industries
- Other Directorships : Batra Associates Limited
Batra Fin Cap Limited
Batra Health Care Consultancy Services P Ltd
Batra Hotels Enterprises Pvt Ltd
Exact Developers & Promoters Pvt. Ltd.
Gaysan Eng. Works Pvt. Ltd.
Halgona Radiators Pvt. Ltd.
Luxmi Ancillaries Pvt. Ltd.
Rita Pad Printing Systems Pvt. Ltd.
Jai Farms Chemicals Pvt. Ltd.
Stresscrete Pvt. Ltd.
JSB Developers & Promoters Pvt. Ltd.
S B Prestresscrete Realty Pvt. Ltd.
- Chairman/Member of Committees of the Board of Companies of which he is a Director : Remuneration Committee (Chairman)
Audit Committee (Member)
Shareholders & Investors Grievance Committee (Member)

MOUNT SHIVALIK INDUSTRIES LIMITED

3. Name : Mr. J M Malhotra
Age : 83 Years
No of Shares held : 8,000 Equity Shares
Qualification & Experience : B.Sc, B.E (Hons)
He worked for 35 years with Public Work Department (Bridges and Roads) and Retired as Secretary to the Government of Rajasthan. At present he is consultant to Asian Development Bank and World Bank.
- Other Directorships : NIL
Chairman/Member of Committees of the Board of Companies of which he is a Director : Audit Committee (Chairman)
Remuneration Committee (Member)
4. Name : Mr. B.D. Bali
Age : 83 years
No. of shares held : 4,28,139 Equity Shares
Qualification and experience : Post Graduate
He has over six decades of rich experience in trade and industry with a very successful track record of over 45 years in liquor & Beer industry. He has been working as Managing Director of the Company since its incorporation. He is widely traveled and has acquired keen business sense and knowledge about the international trade and market.
- Other Directorship : Mount Shivalik Breweries Ltd.
Mount Shivalik Hotels & Resorts Pvt. Ltd.
Mount Shivalik Investments Pvt. Ltd.
Shivalik Beverages Pvt. Ltd.
- Chairman/Member of Committees of the Board of Companies of which he is a Director : NIL

MOUNT SHIVALIK INDUSTRIES LIMITED

DIRECTORS' REPORT

The Members,

Your Directors are pleased to present their **Twentieth Annual Report** along with the audited statements of accounts of the Company for the financial year ended 30th June, 2013.

FINANCIAL RESULTS

Your Company's performance for the financial year ended 30th June, 2013 is summarized below:

Particulars	(₹ In Lacs)	
	Current Financial year Ended 30/06/2013 (12 Months)	Previous Financial year Ended 30/06/2012 (15 Months)
Revenue from Operations (Gross)	13,065.77	18,294.56
Less: Excise Duty	5155.41	6,515.49
Revenue from Operations (Net)	7,910.36	11,779.07
Other Income	51.25	46.01
Total Income	7,961.61	11,825.08
Profit / (Loss) before Interest, Depreciation & Tax	(342.71)	(608.79)
Less: Interest	426.39	462.25
Depreciation	285.41	341.72
Profit / (Loss) for the period {Before Tax}	(1,054.51)	(1,412.76)
Less: Tax Expense:		
Current Tax	0.00	0.00
Deferred Tax	(344.57)	(468.20)
Net Profit / (Loss) for the period {After Tax}	(709.94)	(944.56)

OPERATIONAL REVIEW

Yours Directors are happy to report that the Company has been able to reduce its losses and expects to further improve its performance during the current financial year as a result of the following factors:

- The Company has entered into bottling arrangement with Molson Coors Cobra India Private Limited for production and supply of Company's products ex their plant in Patna for sale in the State of Bihar. As such, we are optimistic that this arrangement would lead to growth in sales volume and consequent higher profitability.
- The Company was constrained to give up franchise for Thunder Point Restaurant at Midway Behror, where sales were grossly affected due to construction of a Fly Over bridge, right in front of the restaurant.
- The Company's Restaurant at Amber Fort, Jaipur and Hanwant Mahal, Jodhpur are able to improve their performance and company expects to achieve break even point during the current financial year.
- The Company has also taken one more restaurant on franchise from the Rajasthan Government at Amber Fort which has been commissioned on 1st July, 2013, which we hope would provide additional revenue to the company.

Despite acute competition in beer industry, company has taken effective steps to improve its production and sales of its brewery products during the financial year under review. The accumulated losses of the Company at the end of the financial year have exceeded its paid up capital and reserves for the first time depicting an