

23rd Annual Report
2015-16

**MOUNT SHIVALIK
INDUSTRIES LIMITED**

**REGD. OFFICE: 140th milestone, Delhi – Jaipur Highway No. 8,
Village Gunti, Tehsil Behror, Distt. Alwar, Rajasthan
E-mail ID: Shares@mountshivalik.com
CIN:L15531RJ1993PLC007168**

MOUNT SHIVALIK INDUSTRIES LIMITED**CIN L15531RJ1993PLC007168**

REGISTERED OFFICE	HEAD OFFICE
140 th Milestone, Delhi - Jaipur Highway No.8, Village Gunti, Tehsil Behror, Distt. Alwar, Rajasthan	C-153/2, Okhla Industrial Area, Phase - I, New Delhi - 110 020

BOARD OF DIRECTORS

Mr. B. D. Bali	DIN 00226629	Chairman & Managing Director
Mr. Sanjiv Bali	DIN 00226806	Managing Director
Mr. K. C. Garg	DIN 00227554	Director Finance
Mr. Rajiv Bali	DIN 00227883	Director
Mr. J. M. Malhotra	DIN 00371421	Director
Mr. Raghbir Singh	DIN 00146072	Director
Dr. K. S. Chugh	DIN 00519261	Director
Mrs. Kavita Bali	DIN 07171633	Director

Sr. Financial Controller	COMPANY SECRETARY	AUDITORS	
Mr. S. K. Nandi	Mr. Mradul Gaur	M/s. R. K. Relan. Chartered Accountants, New Delhi (Statutory Auditor)	M/s B. Chakarborty Company Secretaries New Delhi (Secretarial Auditor)

BANKERS	REGISTRAR & SHARE TRANSFER AGENTS (RTA)
Oriental Bank of Commerce	M/s. MAS Services Ltd., T-34, II Floor, Okhla Industrial Area, Phase-II, New Delhi – 110020

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MOUNT SHIVALIK INDUSTRIES LIMITED

MOUNT SHIVALIK INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE MEMBERS OF MOUNT SHIVALIK INDUSTRIES LIMITED WILL BE HELD ON FRIDAY, THE **30TH DAY OF SEPTEMBER, 2016 AT 12.30 P.M.** AT THE REGISTERED OFFICE OF THE COMPANY AT 140TH MILESTONE, DELHI – JAIPUR HIGHWAY NO. 8, VILLAGE GUNTI, TEHSIL BEHROR, DISTT. ALWAR, RAJASTHANTO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt Balance Sheet of the Company as at 31st March, 2016 and Statement of Profit & Loss Account for the year ended/period on that date and the Reports of Board of Directors and Auditors' thereon.
2. To appoint a director in place of Smt Kavita Bali (DIN 07171633), who retires by rotation and being eligible offers herself for re-appointment.
Smt Kavita Bali is required to retire by rotation, she would need to be re-appointed as a director. *Therefore, shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:*
"Resolved that pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the re-appointment of Smt Kavita Bali (DIN 07171633) as a director, to the extent that he is required to retire by rotation."
3. To appoint a director in place of Shri Rajiv Bali (holding DIN 00227883), who retires by rotation and being eligible offers himself for re-appointment.
Shri Rajiv Bali is required to retire by rotation, he would need to be re-appointed as a director. *Therefore, shareholders are requested to consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:*
"Resolved that pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the re-appointment of Shri Rajiv Bali (DIN: 00227883) as a director, to the extent that he is required to retire by rotation."
4. To ratify the appointment of M/s. R. K. Relan & Co., Chartered Accountants (ICAI Registration No. FRN: 002267N) to hold office of the Auditors of the Company.
"RESOLVED THAT, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the EGM held on April 07, 2015, the appointment of M/s. R. K. Relan & Co., Chartered Accountants (ICAI Registration No. FRN: 002267N) as the auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors."

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

5. **As an Ordinary Resolution:**
APPOINTMENT OF SHRI KAMAL DUTT (DIN: 00272426) AS A DIRECTOR.
"RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) **Shri Kamal Dutt (DIN:00272426),** be and is hereby appointed as a Director of the Company, and liable for retirement by rotation."
6. **As a Special Resolution:**
Authorisation to Board of Directors for determining fee for delivery of documents to a member
To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 20 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder ("the Rules") (including any statutory modification(s) or reenactment(s) of the Act and/ or the

Rules thereof for the time being in force), authority be and is hereby given to the Board of Directors of the Company (the 'Board' which term shall include any Committee which the Board of Directors may have constituted or may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this Resolution) to determine the fee to be charged from a member who requests delivery of any document through a particular mode."

By Order of the Board of Directors
Mount Shivalik Industries Limited.

Dated: 3rd September, 2016

Place New Delhi

CIN L15531RJ1993PLC007168

Registered Office:

140th Milestone, (Delhi-Jaipur)

National Highway No. 8, Village

Gunti, Tehsil Behror,

Distt. Alwar, Rajasthan

Email id: shares@mountshivalik.com

(Mradul Gaur)
Company Secretary
ACS 37049

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED DULY COMPLETED AND SIGNED, BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. The Share Transfer Register and Register of Members of the Company will remain closed from 24th September 2016 to 30th September, 2016 (both days inclusive).
5. Members / Proxies are requested to produce the enclosed Attendance Slip duly filled in and signed as per the specimen signatures recorded with the Company / Depository Participant for attending the meeting.
6. As an economy measure, copies of Annual Report will not be at Annual General Meeting. Shareholders are, therefore, requested to bring their copies of Annual Report to the Meeting.
7. Members, who hold shares in dematerialized form, are requested to write their Client ID and DP ID Nos. and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
8. A Member desirous of getting any information on the accounts or operations of the Company, is requested to forward his / her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
9. Members holding shares in physical form, are requested to notify immediately any change in their address and Bank particulars to the Company or to its Share Transfer Agent and in case their shares are held in dematerialized form, this information should be furnished directly, without any delay, to

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their respective Depository Participants and not to the Company or the Share Transfer Agents.

10. Members holding shares in physical form who have not yet provided the Bank details are once again requested to provide their Bank Account No., Name of the Bank and address of the Branch, quoting their Folio No. to the Company.
11. In all correspondence with the Company, members are requested to quote their folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
12. Members wishing to claim dividend, which remains unclaimed, are requested to correspond with the Company at its Head Office at C-153/2, Okhla Industrial Area, Phase-I, New Delhi-110 020. Shareholders may please refer to table showing last date for claiming / due date for transfer to Investors Education and Protection Fund (IEPF) in respect of dividend declared after the Financial Year ended 31st March, 2009.

Financial Year ended	Date of declaration of dividend	Last date for claiming unclaimed dividend	Due date for transfer to IEP Fund
31.03.2009	29.09.2009	28.10.2016	29.10.2016

13. At the ensuing Annual General Meeting, Smt Kavita Bali and Shri Rajiv Bali, Director of the Company, who are liable for retires by rotation and being eligible, offer himself for re-appointment.
14. Notice along with the instructions for e-voting, attendance slip and proxy form are being sent by the permitted mode to those members who have not registered their email addresses and those who have requested for the same.
15. Members holding shares in demat form are requested to submit their Permanent Account Number (PAN) to their respective Depository Participant and those holding shares in physical form are requested to submit their PAN details to the Company/ RTA in order to comply with the SEBI guidelines.
16. In terms of the notification issued by the Securities and Exchange Board of India, equity shares of the Company are under compulsory demats trading by all investors w.e.f. January 29, 2001. Shareholders are, therefore, advised to dematerialize their shareholding to avoid inconvenience in future.
17. The members are requested to send the transfers, change of address, bank mandates and other related correspondence to the Registrars and Share Transfer Agents, M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110 020.
18. Members can contact to Mr. Mradul Gaur, Company Secretary, Tel. No. 011- 26371701/02/03/04/05 for any information relating to Annual General Meeting:
19. Members are requested to send the queries, if any, on the accounts and operations of the Company to the Company Secretary (e-mail: shares@mountshivalik.com) at least 10 days before the meeting so that the answers may be made readily available.
20. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on any day between 10.00 a.m. to 4.00 p.m. except holidays and shall also be available at the meeting.
21. SHAREHOLDERS MAY KINDLY NOTE THAT NO GIFTS / GIFT COUPONS OR CASH IN LIEU OF GIFTS WILL BE DISTRIBUTED AT THE MEETING, AS THE SAME HAS BEEN PROHIBITED UNDER THE SECRETARIAL STANDARDS FRAMED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA FOR HOLDING GENERAL MEETING.

The procedure and instructions for e-voting as given in the Notice of the 23rd Annual General Meeting are again reproduced hereunder for easy reference:

- I. **In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**
 - a. Open e-mail and open PDF file viz. "MSIL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
 - c. Click on Shareholder-Login.
 - d. Put user ID and password as initial password noted in step (i) above. Click Login.
 - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - g. Select "EVEN" of "Mount Shivalik Industries Limited".
 - h. Now you are ready for remote e-voting as Cast Vote page opens.
 - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csbibhabasu@gmail.com with a copy marked to evoting@nsdl.co.in.
- II. **In case of Members receiving Physical copy of Notice of 23rd Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**
 - a. Initial password is provided in the box overleaf.
 - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
 - A. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - B. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - D. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
 - E. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2016 may also obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

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- G. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- H. **Shri Bibhabasu Chakraborty, Practicing Company Secretary (Membership No. FCS-24993 & CP No. 9519), Proprietor, M/s. B. Chakraborty & Co., Company Secretaries** has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- I. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- J. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- K. The Results declared along with the report of the Scrutinizer shall be placed on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited.

ITEM NO. 6.

Authorisation to Board of Directors for determining fee for delivery of documents to a member.

Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 provides the mode of service of documents, inter alia, to the members of the Company. The proviso to sub-section (2) of Section 20 states that a member may request for delivery of any document through a particular mode, for which he shall pay fees as may be determined by the Company in its Annual General Meeting.

Such fee for delivery of any document through a particular mode shall be based upon the mode of service, weight of the document and place of delivery of the document sought by the member, hence it becomes difficult to quantify the amount in such a case. Therefore, it is felt appropriate that the Board of Directors be authorized to determine from time to time, the fee after taking into account the mode of service, weight of the document, place of delivery of the document sought by the member and the prevailing rates.

The Board of Directors accordingly recommends the Special Resolution set forth in Item No. 6 of the accompanying Notice for approval of the members.

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way, considered concerned or interested, financially or otherwise in this resolution, except as a member of the Company.

By Order of the Board of Directors
Mount Shivalik Industries Limited.

Annexure to Notice

EXPLANATORY STATEMENT

Item No. 2

Smt. Kavita Bali (DIN: **07171633**), Director of the Company retires by rotation and holds office up to this annual general meeting. It is proposed that Smt. Kavita Bali be appointed as a Director liable to retire by rotation. Details regarding remuneration, age, qualification and experience are being attached in compliance of SS-2 issued by ICSI and pursuant to other provisions of the Act for member's perusal. Except Smt. Kavita Bali, no other director is concerned or interested in this resolution.

Item No. 3

Shri Rajiv Bali (holding DIN 00227883), Director of the Company retires by rotation and holds office up to this annual general meeting. He has been steering the Company for decades. With his guidance the company has been expanding its business in diverse fields. It is proposed that Shri Rajiv Bali be appointed as a Director liable to retire by rotation. Details regarding remuneration, age, qualification and experience are being attached in compliance of SS-2 issued by ICSI and pursuant to other provisions of the Act for member's perusal. Except Shri Rajiv Bali, no other director is concerned or interested in this resolution.

ITEM NO.5

It is proposed that Shri Kamal Dutt (holding DIN 00272426) be appointed as a Director of the Company and liable to retire by rotation. He has bachelor degree from University of Illinois, and Business Associates Degree from McCormic College, Chicago. He also has 30 years of rich experience in International Trade & Business Management. He holds 318664 Equity Shares of the Company. Details regarding remuneration, age, qualification and experience are being attached in compliance of SS-2 issued by ICSI and pursuant to other provisions of the Act for member's perusal. Your Directors recommend the appointment of Shri. Kamal Dutt as a director of the Company. Shri B. D. Bali, Shri Sanjiv Bali, Shri Rajiv Bali, and Smt Kavita Bali are concerned or interested in this resolution.

Dated: 3rd September, 2016

Place **New Delhi**

CIN **L15531RJ1993PLC007168**

Registered Office: 140th

Milestone, (Delhi-Jaipur)

National Highway No. 8, Village

Gunti, Tehsil Behror,

Distt. Alwar, Rajasthan

Email id:

shares@mountshivalik.com

(Mradul Gaur)
Company Secretary
ACS 37049

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Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting in compliance of SS-2 issued by ICSI forming part of Explanatory Statement

Particulars	Shri Kamal Dutt	Shri Rajiv Bali	Smt. Kavita Bali
Date of Birth (Age)	54	07.12.1959 (56)	17.03.1965 (51)
Date of Appointment in the Company	01.01.1994	25.05.1996	08.06.2015 as an Additional Director
Qualification	Beachelor Degree from University of Illinios, Business Associates Degree from McCormic College in Chicago	B. A. (Hons.)	B. A.
Experience	More than 29 years of experience in International Trade & Business	More than 27 years of rich experience in liquor and beer industries	More than 10 years Experience in Management.
Directorship held in other public companies.	Nil	<ul style="list-style-type: none"> • Molson Coors India Private Limited • PHD Chamber Of Commerce And Industry • Mount Shivalik Investments Limited • Shivalik Beverages Private Limited • Ranika Investments Private Limited. • Mount Shivalik Packaging Private Limited. 	Nil
Membership/ Chairmanship of committees of other companies	Nil	Nil	Nil
Relationship with other Directors/ MD/ KMPs	Promoter	Promoter	Wife of Mr. Sanjiv Bali (MD)
No. of Board Meetings attended	Nil	6	5
Shareholding in the Company	3,18,664 Equity Shares	72,656 Equity Shares	27,595 Equity Shares
Present Remuneration	Sitting Fees	Sitting Fees	Sitting Fees
Remuneration last drawn	Sitting fees	Sitting Fees	Sitting Fees

**By Order of the Board of Directors
Mount Shivalik Industries Limited.**

Dated: 03th September,2016

Place New Delhi

CIN L15531RJ1993PLC007168

Registered Office:

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

(Mradul Gaur)
Company Secretary
ACS 37049

MOUNT SHIVALIK INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting 23rd Annual Report of the Company together with Audited Statements of Accounts for the Financial Year/Period ended 31st March, 2016.

1. FINANCIAL RESULTS

The Company's financial performance for the financial year/period under review along with previous year/period figures is given hereunder:

(Amount in lacs)

Particulars	For the Period ended 31.03.2016	For the Year ended 30.06.2015
Net Sales	671.62	1549.98
Add: Other Income	18.41	1253.94
(Increase) / Decrease in stock	164.91	(41.20)
Total	525.12	2845.12
Less: Total Expenditure	1159.94	2480.75
Operating Profit	(634.82)	364.87
Less: Interest	487.87	696.10
Less Depreciation	209.14	303.65
Profit before exceptional item & tax	(1331.83)	(634.88)
Less: Exceptional Item	-	0.21
Profit before tax	(1331.83)	(635.09)
Less: Provision for taxes	-	-
Current Tax	-	-
Deferred Tax	(466.24)	(215.19)
Earlier Year: Deferred Tax	-	-
Earlier Year: Income Tax	-	-
Profit / (Loss) after tax	(865.59)	(418.90)

2. DIVIDEND

In view of accumulated losses of the Company, your Directors have not recommended any dividend this year also.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND.

In terms of Section 125 of the Companies Act, 2013, the Company has transferred Unpaid/ unclaimed dividend of F. Y. 2007-08 of Rs. 2,96,732/- on 03/03/2016 to Investor Education and Protection Fund.

Unclaimed / unpaid Dividend related to the financial year 2008-09 is due for transfer to the Investor Education and Protection Fund established by the Central Government.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the period under review, the company could achieve net sales of Rs. 671.62 lacs as compared to Rs. 1549.98 lacs in the last year due to very unfavourable market conditions. The sales of the company outside the state of Rajasthan virtually stopped due to substantial increase in Export duty by Rajasthan Govt. There was also an increase in import duty by Jharkhand Govt. As a result of this selling price became unremunerative and any continuation of sales would have caused further operating loss.

The company's operating results further continued to be adversely affected by various other factors, mainly due to the state regulated price policy which had direct impact on revenues while the input costs of various raw materials and packing material were accelerated by inflationary conditions.

The Management of the Company had decided in their Board Meeting held on 03 December 2015, for *temporarily suspending* the manufacturing operations in the factory for the purpose of maintenance. The Company could not start the production due to unremunerative prices offered by the Rajasthan Government. The Management is taking steps for starting the production at the earliest by on one hand persuasion for price revision by Rajasthan Government and on other hand exploring for more investments and cost cutting to reduce the operating costs. The Management is also exploring contract bottling for Others brands.

The management is of the opinion that subsequent to these effective remedial reversal of the trend would arise that shall result in positive and sustainable result.

Restaurant Business

The Company's Restaurant at Amber Fort, Jaipur and Hanwant Mahal, Jodhpur are on lease basis.

The Company is taking efforts to improve sales in current financial year. **Note No. 41 of the financial Statements** for the period ended March 31st, 2016 shows the segment reporting of Brewery and Hospitality Business of the Company.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Change of Financial Year.

Pursuant to Section 2(41) of the Companies Act, 2013, The Company has changed the Financial Year of the Company from July- June to April- March.

So the Financial Year/ Period under review was 01st July 2015 to 31st March, 2016 of the Company.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure-I" and is attached to this report.

7. RESEARCH AND DEVELOPMENT

Particulars regarding Research & Development as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure-I" and is attached to this report.

8. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY.

The development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself.

- Operational, business and market risks.
- Decrease in product prices
- Customer defaults

d) Interest rates risk and inventory carrying risk.

9. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Since the Company doesn't fall under the companies required to constitute the Corporate Social Responsibility Committee as per Section 135 of the Companies Act, 2013. Therefore, the Company has not developed and implemented any Policy on Corporate Social Responsibility as the said provisions are not applicable.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013.

There were no loans, guarantees or investments made by the Company as specified under Section 186 of the Companies Act, 2013 during the year under review and Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to ~~Note No. 17~~ to the standalone financial statement).

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES.

All related party transactions are in the ordinary course of business and at arms length basis, which are not material in nature too, hence, outside the scope of Section 188 (1) of the Act. None of the transaction is without approval of the Audit Committee and every such transaction is being placed before it, for review periodically.

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS.

Statutory Auditors

M/s R. K. RELAN & CO., Chartered Accountants, FRN N.002267N, the Statutory Auditors of the Company, were appointed as Statutory Auditors for a period of 5 years in the Extra Ordinary General Meeting held on 07th April, 2014 and are eligible for reappointment, at ensuing Annual General Meeting of the Company. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark except Point No. 7 (a) and Point No. 7 (b).

Secretarial Auditor

The Board has appointed M/s. B. Chakraborty & Co., Company Secretaries Firm, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year/period ended March 31st, 2016 is annexed herewith marked as "Annexure-II" to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark except *Point No. 4 Regarding Statutory Dues of the Company.*

Board's Response on Remarks of Auditors Reports:

Point No. 7 (a) of Statutory Auditors' Report and Point No. 4 of Secretarial Auditor Report. *The Company has generally not been regular in depositing undisputed statutory dues to it with the appropriate authorities.*

Board's Response:

The Company did not have sufficient cash flow from operations as the operation in Brewery was severally affected due to reasons stated in the Note No. 43(b) on the Financial Statements. Due to continuing losses and accumulated losses and Company having been declared Sick Industrial Unit, Company's Bankers as well as other lenders refused to lend any further sums to the Company. Therefore, the above said statutory liabilities could not be deposited with the respective Authorities.

Efforts are being made towards depositing the statutory dues that have become overdue at an early date together with the penal interest/charges

Point No. 7(b). of Statutory Auditors' Report, Sales Tax Demand.

Board's Response:

The Assistant Commissioner, Anti Evasion, Jaipur, Rajasthan has, by an order dated June 2, 2014 treated, as Inter State Sales, the stock transfers by the Company, of beer to Patna and Hazaribagh during the financial years 2010-11, 2011-12, 2012-13 and 2013-14(only 1st Quarter) and had demanded Central Sales Tax including interest and penalty to the extent of Rs. 86,51,63,060, which was subsequently (vide order dated October 16, 2014) revised downward to Rs.60,77,72,122 . The Company 's appeal with Rajasthan Tax Board, Ajmer, Rajasthan has been negated. Company is contesting these Assessment orders for all the years in Appeal at Central Sales Tax Appellate Tribunal, New Delhi after its appeal having been negated in Rajasthan Tax Board, Ajmer, Rajasthan and has obtained stay of the said demand from the Hon'ble Rajasthan High Court, Jaipur till the decision of the Appellate Tribunal. The appellate Tribunal has not yet concluded the hearings in the case. The same Anti Evasion Authority has later on issued an assessment order on the similar point for the financial year 2009-10 and raised demand for Rs.31,92,37,896, which was subsequently revised to Rs.23,89,06,371 which is being contested in appeal in Rajasthan Tax Board, Ajmer.

In respect of the above mentioned years (except 2013-14), regular assessments had already been framed and the requisite demands paid based on the factual position of the sales being effected locally in the above mentioned locations.

The management contends that based on the factual position of the transferred goods being sold locally in the above locations, the same is covered by a local VAT law and there is no further liability in respect of the said goods under the Central Sales Tax Act. The management is confident that the above mentioned demands will be withdrawn on final decision in appeal.

13. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES.

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is being dealt in the Corporate Governance Report under Nomination and Remuneration Committee section.

14. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return in MGT- 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in "Annexure-III" and is attached to this Report.

15. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR/PERIOD UNDER REVIEW

The Company had Six (6) Board Meetings during the financial year under review.

S. No.	Date of Meeting	Number of Directors	Directors Present
1.	30 th July 2015	10	5
2.	28 th August 2015	10	6
3.	30 th September 2015	10	7
4.	10 th November 2015	10	7
5.	03 rd December 2015	10	7
6.	12 th February 2016	10	7

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- in preparation of the annual accounts for the financial year/period 2015-16, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the accounting policies selected and applied are consistent and judgments and estimates made 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, 2016/period and of the profit / (loss) of the company for year ended on that date;
- proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no Subsidiary, Joint Venture or Associate Company.

18. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

19. DIRECTORS

- Shri Rajiv Bali and Smt Kavita Bali, Non-Executive Director, who are liable to retire by rotation, retires at this Annual General Meeting and being eligible offer himself/herself for re-appointment.
- Shri S. K. Chibber Ceased to the Director due to Death.

20. DECLARATION OF INDEPENDENT DIRECTORS.

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

21. RISK MANAGEMENT POLICY

The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The implementation of risk management policy has also been covered in the Management Discussion and Analysis which forms part of this report.

Risk evaluation and management is an ongoing process within the Organization. Your Company has comprehensive risk management policy which is periodically reviewed by the Committee and Board of the Company.

22. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following members:

- Shri J. M. Malhotra, Chairman
- Shri Rajiv Bali, Member
- Mr. Raghbir Singh, Member*

The above composition of the Audit Committee consists of all non executive directors with majority of independent directors.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of Company employees and the Company.

*Mr. Raghbir Singh, has became the member of Audit Committee w.e.f 30.05.2016

23. DISCLOSURE UNDERSEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 AND PROVIDING VIGIL MECHANISM.

The Company has no women employees, so the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 are not attracted on the Company.

24. SHARES

LISTING OF SECURITIES OF COMPANY

The Equity Shares of the Company continue to be listed at Bombay Stock Exchange Ltd. (BSE).

DEMATERIALISATION

Trading of Equity Shares of the Company in dematerialized form is compulsory for all shareholders in terms of the Notification issued by the Securities and Exchange Board of India (SEBI). Your Company has achieved higher level of dematerialization with 87.12% of the total number of Equity Shares being held in the electronic mode with the two depositories.

25. PARTICULARS OF EMPLOYEES

The Company does not have any Key Managerial Personnel or employee, receiving remuneration of Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum and therefore no particulars are required to be furnished under section Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Mr. Sanjiv Bali, Managing Director of the Company has voluntarily given up his all remuneration from the Company w.e.f. 01 August, 2016.

No remuneration being paid to Directors of the Company during the year under review, except remuneration of Mr K. C. Garg and sitting fees paid for attending meetings of Board and Committees to the Non Executive Directors of the Company.

26. CORPORATE GOVERNANCE REPORT.

As listing agreement was replaced with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 SEBI LODR.

Pursuant to provisions of Regulation 15(2) of SEBI (LODR), 2015 provisions of corporate governance are not applicable to listed Companies having paid up capital not exceeding Rs.10 Crore and net worth not exceeding Rs. 25 Crore as on the last date of the previous year. As paid up capital and net worth of the Company are not exceeded prescribed limit, provisions of Corporate Governance are not applicable to the Company.

A Certificate of the Board of Directors on Non submission of Corporate Governance Report is included in the Annual Report as "Annexure-IV".

27. MANAGEMENT DISCUSSION ANALYSIS

Management Discussion and Analysis Report as required in Regulation 34 (2) (e) of SEBI Listing Regulations and **Schedule V. B. of the SEBI(Listing Obligations & disclosure Requirements) Regulations,2015** with Stock Exchanges is given in "Annexure-V" forming part of this report.

28. INTERNAL FINANCIAL CONTROL

Company has a proper and adequate system of internal control to oversee the Company's financial reporting process, disclosure of financial information, reviewing the performance of statutory and internal auditors with management, adequacy of internal audit function and internal control system, related party transactions etc., and for this purpose the Company has a well constituted Audit Committee headed by a Non-Executive independent Director.

Further, the Company's Internal Auditors verify the information concerning the reliability of the financial statements as well as the compliance with your Company policies so as to maintain accountability of all its assets and correctness of recorded transactions.

29. EVALUATION OF BOARD AND INDIVIDUAL DIRECTORS

Pursuant to the Section 134(3)(p) of the Companies Act, 2013 a formal evaluation has been made by the Board of its own performance and that of its committees and individual Directors.

The Board has carried out a formal annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations. A structured questionnaire was prepared by the Nomination and Remuneration Committee and performance

of the Board was evaluated by the Board seeking inputs from all directors on the basis of criteria such as adequacy of the composition of the Board and its Committees, Board culture, effectiveness of board processes and performance of specific duties, obligations and governance. The performance of the Committees was evaluated by the Board on the basis of criteria such as composition of committees, effectiveness of committee meetings, etc.

The individual Directors were evaluated on Parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and shareholders, etc. In a separate meeting of the independent directors held on 12th February, 2016, performance of the non-independent directors and Board as a whole was reviewed and performance of Chairman of the Company was reviewed after taking into account views of Executive Director.

30. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, various Government Authorities and Stakeholders of the Company for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**For and on behalf of the Board of Directors
Mount Shivalik Industries Ltd.**

(B. D. Bali)
Chairman & Managing Director
DIN: 00226629

(Sanjiv Bali)
Managing Director
DIN: 00226806

Date: 03rd September, 2016
Place: New Delhi