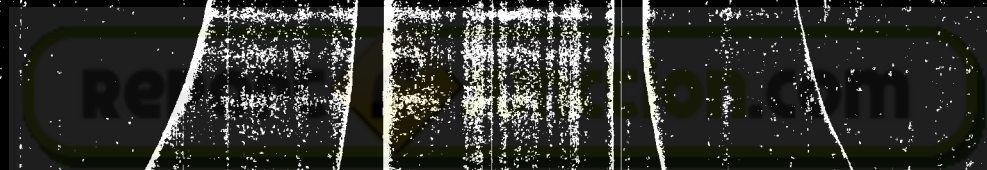


13th Annual Report 1996-97



Shivalik Bimetal Controls Ltd.





SHIVALIK BIMETAL CONTROLS LTD.

BOARD OF DIRECTORS

Chairman :

Shri P.S. Gill

Managing Director :

Shri N.S. Ghumman

Dy. Managing Director :

Shri D.J.S. Sandhu

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

Directors :

Shri S.S. Sandhu

Shri S.N. Deogun

Shri P.N. Handa

Shri A.K. Sud

Company Secretary :

Shri Tirath Singh Gulati

Finance Manager :

Shri K.S. Negi

Auditors :

Malik Kapur & Co.

Chartered Accountants

New Delhi

Bankers :

Indian Bank,

Greater Kailash - I

New Delhi 110048.

Regd. Office :

16-18, New Electronics Complex

Chambaghat,

Distt. Solan,

Himachal Pradesh.

Head Office :

Suneja Chamber, 2nd Floor,

H-2, Alaknanda Commercial Complex,

New Delhi - 110019



CERTIFICATE OF REGISTRATION

This is to certify that the Quality Management System of :

**SHIVALIK BIMETAL CONTROLS LTD.
PLOT NO. 16-18, NEW ELECTRONICS COMPLEX,
CHAMBAGHAT, DISTT. SOLAN (H.P.) - 173 213**

has been assessed and approved against the following quality assurance management systems standards :

ISO 9002 : IS 14002 : EN ISO 9002 : 1994

The Quality Management System is applicable to:

**MANUFACTURE OF STRIPS AND COMPONENTS OF
THERMOSTATIC BIMETAL AND OF OTHER ALLOYS**

The approval is subject to the company maintaining its system to the required standards, which will be monitored during surveillance audits by NQA Quality Systems Registrar Ltd.

Certificate No: 96019

Issue Date: 05/10/1996

Renewal Date: 05/10/1999



S. M. Bhola B.Sc. CEng.
Chief Executive

NQA QUALITY SYSTEM REGISTRAR LTD.



NOTICE TO THE MEMBERS

Notice is hereby given that the 13th Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Monday, the 29th day of September, 1997 at the Regd. Office of the company 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 receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date together with Reports of the Directors and the Auditors.
2. To declare Dividend for the year ended 31st March, 1997.
3. To appoint a Director in place of Mr. S.N. Deogun who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Anil K. Sud who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the company and fix their remuneration.

SPECIAL BUSINESS :

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

"Resolved that pursuant to the provisions of Section 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded to the increase in remuneration payable to Mr. N.S. Ghuman, Managing Director of the Company w.e.f. 1.4.1997, subject to the approval of the Shareholders in the General Meeting on the following terms and conditions:-

(A) SALARY : Rs. 35,000/- per month

(B) PERQUISITES

- i) Medical Reimbursement :- Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- ii) Leave travel concession for self and family once in a year in accordance with the Rules of the Company.
- iii) Club Fee :- Fees of Clubs, subject to a maximum of two Clubs, provided that no life membership or admission fee will be allowed.
- iv) Personal Accident Insurance :- Premium not to exceed Rs. 1000/- per annum.
- v) Company's contribution towards pension/superannuation fund as per Rules of the Company for the time being in force but such contribution together with the P.F. shall not exceed 25% of the salary or such other increased amount provided that the same is not taxable under the Income Tax Act.
- vi) Company's contribution towards P.F. as per Rules of the Company for the time being in force but not exceeding 10% of the salary.
- vii) Gratuity not exceeding half month's salary for each completed year of service, subject to a ceiling of Rs. 2.50 lacs.
- viii) Free use of telephone at residence but personal long distance calls shall be billed by the company.
- ix) Free use of Company's Car with Driver for the business of the company.



- x) 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, will not be allowed to be encashed.

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

"Resolved that pursuant to the provisions of Section 309, 310, Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the increase in remuneration payable to Mr. P.S. Gill, wholetime Director of the Company w.e.f. 1.4.1997 subject to the approval of the Shareholders in the General Meeting on the following terms and conditions:-

(A) SALARY : Rs. 35,000/- per month

(B)- PERQUISITES

- i) 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.
- ii) Leave travel concession for self and family once in a year in accordance with the Rules of the Company.
- iii) Club Fee :- Fees of Clubs, subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- iv) Personal Accident Insurance :- Premium not to exceed Rs. 1000/- per annum.
- v) Company's contribution towards pension/superannuation fund as per Rules of the Company for the time being in force but such contribution together with the P.F. shall not exceed 25% of the salary or such other increased amount provided that the same is not taxable under the Income Tax Act.
- vi) Company's contribution towards P.F. as per Rules of the Company for the time being in force but not exceeding 10% of the salary.
- vii) Gratuity not exceeding half month's salary for each completed year of service, subject to a ceiling of Rs. 2.50 lacs.
- viii) Free use of telephone at residence but personal long distance calls shall be billed by the Company.
- ix) Free use of Company's Car with Driver for the business of the Company.
- x) 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 will not be encashed.

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

"Resolved that pursuant to the provisions of Section 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the increase in remuneration payable to Shri D.J.S. Sandhu, Deputy Managing Director of the Company w.e.f. 1.4.1997, Subject to the approval of the Shareholders in the General Meeting on the following terms and conditions:-

(A) SALARY : Rs. 30,000/- per month

(B) PERQUISITES

- i) 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.



- ii) Leave travel concession for self and family once in a year in accordance with the Rules of the Company.
- iii) Club Fee :- Fees of Clubs, subject to a maximum of two clubs provided that no life membership or admission fee will be allowed.
- iv) Personal Accident Insurance :- Premium not to exceed Rs. 1000/- per annum.
- v) Company's contribution towards pension/superannuation fund as per Rules of the Company for the time being in force but such contribution together with the P.F. shall not exceed 25% of the salary or such other increased amount provided that the same is not taxable under the Income Tax Act.
- vi) Company's contribution towards P.F. as per Rules of the Company for the time being in force but not exceeding 10% of the salary.
- vii) Gratuity not exceeding half month's salary for each completed year of service, subject to a ceiling of Rs. 2.50 lacs.
- viii) Free use of telephone at residence but personal long distance calls shall be billed by the Company.
- ix) Free use of Company's Car with Driver for the business of the Company.
- x) 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 will not be encashed.

For and on behalf of Board of Directors

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

N.S. GHUMMAN
Managing Director

August 26, 1997

NOTES :

- ★ A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
- ★ Explanatory Statement relating to Special Business is annexed to this Notice as required U/s. 173 of the Companies Act, 1956.
- ★ The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September, 1997 to 29th September, 1997 (both days inclusive).
- ★ Members are requested to notify immediately change of address, if any, to Company's Regd. Office/Head Office. While communicating to the company, please quote your Folio Number.
- ★ Shareholders desirous of obtaining any information concerning the accounts and operation of the company are requested to address their 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.



Annexure to the Notice

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

Item No. 6

Mr. N.S. Ghumman was appointed as Managing Director of the Company w.e.f. 5.4.1996 for a period of five years at monthly remuneration of Rs. 25,000/-.

With the increase in the activities of the company and consequent increase in the involvement of Mr. N.S. Ghumman in the company and keeping the emolument structure prevailing in industry, your Directors in their meeting held on 31st March, 1997, decided to increase the remuneration payable to Mr. N.S. Ghumman to Rs. 35,000/- per month w.e.f. 1.4.1997 subject to the approval of Members of the Company.

Your Directors seek approval of the Members for increase in remuneration payable to Mr. N.S. Ghumman.

None of the Directors, except Mr. N.S. Ghumman, Mr. S.S. Sandhu and Mr. D.J.S. Sandhu, who are also Directors, are interested or concerned in the proposed resolution.

Item No. 7

Mr. P.S. Gill was appointed as Whole-time Director of the Company w.e.f. 5.4.1996 for a period of five years at monthly remuneration of Rs. 25,000/-.

With the increase in the marketing and other activities of the company and keeping the emolument structure prevailing in industry, your Directors in their meeting held on 31st March, 1997, decided to increase the remuneration payable to Mr. P.S. Gill to Rs. 35,000/- per month w.e.f. 1.4.1997 subject to the approval of Members of the Company.

Your Directors seek approval of the Members for increase in remuneration payable to Mr. P.S. Gill.

None of the Directors except Mr. P.S. Gill, is interested in the proposed resolution.

Item No. 8

Mr. D.J.S. Sandhu was appointed as Deputy Managing Director of the Company w.e.f. 5.4.1996 for a period of five years at monthly remuneration of Rs. 20,000/-.

With the increase in the activities of the company and consequent increase in involvement of Mr. D.J.S. Sandhu in the company and keeping the emolument structure prevailing in industry, your Directors in their meeting held on 31st March, 1997, decided to increase the remuneration payable to Mr. D.J.S. Sandhu to Rs. 30,000/- per month w.e.f. 1.4.1997 subject to the approval of Members of the Company.

Your Directors seek approval of the Members for increase in remuneration payable to Mr. D.J.S. Sandhu.

None of the Directors, except Mr. D.J.S. Sandhu, Mr. S.S. Sandhu and Mr. N.S. Ghuman who are also Directors, are interested or concerned in the proposed resolution.



DIRECTORS REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting their 13th Annual Report on the business and operations of the Company and the audited statement of accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS :	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Sales (An increase of 8.12% over the previous year)	908.38	840.15
Profit before depreciation	116.61	115.82
Less : Depreciation	17.56	15.81
Profit before taxes	99.05	100.01
Less : Provision for Taxation	42.50	38.50
Profit After Taxes	56.55	61.51
Add (Less) : Prior period adjustment	0.02	(0.10)
	56.57	61.41
 Add : Brought forward from previous year	 50.00	 50.00
Add : Investment Allowance Reserve (utilised)	15.40	3.76
Amount available for appropriation	121.97	115.17
 Out of the above transferred to General Reserve	 14.73	 33.17
Proposed Dividend on Equity Shares	38.40	32.00
Tax on proposed Dividend	3.84	-
Balance carried over	65.00	50.00
	121.97	115.17

DIVIDEND

Your Directors are glad to recommend payment of dividend @ Rs. 2.00 per share on equity share of Rs. 10/- each for the year ended 31st March, 1997. The dividend payment would be Rs. 38.40 lacs and the additional tax on distributed profits thereon at the rate of 10% would be Rs. 3.84 lacs. The company has been paying dividend every year since 1993-94.

PERFORMANCE :

Turnover :

Your directors are glad to record the increase in turnover. This has been achieved in spite of the electrical industry in general and switchgear industry in particular going through a lean period. The total sales during the year 1996-97 has gone up by 8.12% over the previous year (1995-96). Current year's trends, however, promise better sales performance.

Expansion

Expansion / diversification programme taken up during the last year has been completed. Your directors are glad to record that orders position for bimetallic components and sub-assembly for application in the electronics field has registered a healthy growth during the current year. Material for bimetallic snap action discs has been produced. The tests carried out in Austria to meet the international market requirements show encouraging results.