

15th Annual Report

1998-99

reportjunction.com

**SHIVALIK BIMETAL
CONTROLS LIMITED**





SHIVALIK BIMETAL CONTROLS LTD.



BOARD OF DIRECTORS

| | |
|--------------------------|-----------------------|
| Shri N. S. Ghumman | Managing Director |
| Shri S. S. Sandhu | Whole-time Director |
| Shri D. J. S. Sandhu | Dy. Managing Director |
| Shri P. S. Gill | Director |
| Brig H. S. Sidhu (Retd.) | Director |
| Shri A. S. Gill | Director |
| Shri A. K. Sud | Director |
| Shri G. S. Gill | Director |
| Shri Pritam Kashyap | Director |

Company Secretary :

Shri Tirath Singh Gulati

Sr. Manager (Finance & Admn.) :

Shri K. S. Negi

Auditors :

Malik Kapur & Co.
Chartered Accountants
New Delhi.

Bankers :

Indian Bank
Greater Kailash-I
New Delhi-110 048.

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-110 019.



NOTICE TO THE MEMBERS



Notice is hereby given that the 15th Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Friday, the 24th day of September, 1999, at the Regd. Office of the Company, 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, 1999 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 1998-99.
3. To appoint a Director in place of Mr. Anil K. Sud, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Brig. H.S. Sidhu (Retd.) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the company and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED that Shri P.S. Gill who was co-opted as an Additional Director of the company under Article 129 of the Articles of Association of the Company and who holds such office upto the date of the Annual General Meeting and in respect of whom the company has received notice in writing, pursuant to Section 257 of the Companies Act, 1956, proposing his candidature to the Office of Director, be and is hereby appointed as Director of the Company."

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 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Mr. N.S. Ghuman, Managing Director, be and is hereby increased / revised w.e.f. 1st April, 1999 subject to the approval of the Shareholders in the General Meeting, on the following terms & conditions :—

(A) SALARY : Rs. 50,000/- 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 will be allowed.
- iv) Personal Accident Insurance : Premium as per Rules of the Company.
- v) Company's contribution towards pension / superannuation as per Rules of the Company for the time being in force but such contribution together with 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 to exceed 12% of the salary.



- vii) 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.
 - viii) Free use of telephone at residence but long distance personal 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 during his tenure may be allowed to be encashed as per rules of the company.
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 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Mr. S.S. Sandhu, Whole-time Director, be and is hereby increased / revised w.e.f. 1st April, 1999 subject to the approval of the Shareholders in the General Meeting, on the following terms & conditions :—
- (A) SALARY : Rs. 50,000/- 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 will be allowed.
 - iv) Personal Accident Insurance :- Premium as per Rules of the Company.
 - v) Company's contribution towards pension / superannuation as per Rules of the Company for the time being in force but such contribution together with PF. 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 to exceed 12% of the salary.
 - vii) Gratuity :- Payable in accordance with an approved scheme and shall not exceed one half month's salary for each completed year of service.
 - 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 during his tenure may be allowed to be encashed as per rules of the company.
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 the provisions of Section 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Mr. D.J.S. Sandhu, Dy. Managing Director, be and is hereby increased / revised w.e.f. 1st April, 1999 subject to the approval of the Shareholders in the General Meeting, on the following terms & conditions :—
- (A) SALARY : Rs. 45,000/- 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 will be allowed.
- iv) Personal Accident Insurance :- Premium as per Rules of the Company.
- v) Company's contribution towards pension / superannuation as per Rules of the Company for the time being in force but such contribution together with 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 to exceed 12% of the salary.
- vii) Gratuity :- Payable in accordance with an approved scheme and shall not exceed one half month's salary for each completed year of service.
- 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 during his tenure may be allowed to be encashed as per rules of the company.

For and on behalf of the Board of Directors

Regd. Office :

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

August 18, 1999

N.S. GHUMMAN
Managing Director

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 Share Transfer Books of the Company will remain closed from 20th September, 1999 to 24th September, 1999 (both days inclusive).
- Members are requested to notify 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 connecting to 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 meeting so that the information may be made available at the meeting to the best extent possible.



Annexure to Notice

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

Item No. 6 :

Mr. P. S. Gill was appointed as Additional Director in terms of Article 129 of the Articles of Association of the Company and as such he will hold office upto the date of this Annual General Meeting in terms of the provision of Section 260 of the Companies Act, 1956. The Company received a notice in writing from a Member u/s 257 of the Companies Act, 1956, signifying his intention to propose Mr. P. S. Gill as Director of the Company. Having regard for his wide knowledge, business experience, the Board of Directors is of the opinion that his association with the Board will be of immense value to the progress of the Company and the Board, therefore, recommends his appointment as Director, subject to the approval of the Members of the Company.

None of the Directors except Mr. P. S. Gill and Mr. A. S. Gill, who is also a Director, is concerned or interested in the resolution.

Item No. 7 :

Mr. N. S. Ghumman was appointed as Managing Director of the Company w.e.f. 5th April, 96 for a period of five years.

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 26th April, 99 decided to increase the remuneration payable to Mr. N. S. Ghumman to Rs. 50,000/- from Rs. 35,000/- w.e.f. 1st April, 99 subject to the approval of the Members of the Company.

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. 8 :

Mr. S. S. Sandhu was appointed as a Whole-time Director of the Company w.e.f. 1st April, 98 for a period of five years on a monthly remuneration of Rs. 35,000/-.

With the increase in the activities of the company and consequent increase in the involvement of Mr. S. S. Sandhu, in the company and keeping in view the emolument structure prevailing in industry, your Directors in their meeting held on 26th April, 99 decided to increase the remuneration payable to Mr. S. S. Sandhu to Rs. 50,000/- from Rs. 35,000/- per month w.e.f. 1st April, 99 subject to the approval of the Members of the Company.

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

Item No. 9 :

Mr. D. J. S. Sandhu was appointed as Deputy Managing Director of the Company w.e.f. 5th April, 99 for a period of five years.

With the increase in the activities of the company and consequent increase in the responsibilities of Mr. D. J. S. Sandhu, in the company and keeping in view the emolument structure prevailing in industry, your Directors in their meeting held on 26th April, 99 decided to increase the remuneration payable to Mr. D. J. S. Sandhu to Rs. 45,000/- from Rs. 30,000/- per month w.e.f. 1st April, 99 subject to the approval of the Members of the Company.

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



DIRECTORS REPORT TO THE SHAREHOLDERS



Your Directors are pleased to present their 15th Annual Report together with the Audited Statement of Accounts of your company for the year ended 31st March, '99.

ANNUAL RESULTS :

Your Directors are delighted to place on record that during the year under review the sales of the company have registered an increase of 52.75% over the last year. This year's sales is Rs. 1,903.81 lacs as compared to Rs. 1,246.29 lacs of the previous year.

Your Company has firmly established its presence in the domestic market,, which has resulted in increased turnover. The current year's trend of sales is also promising and your Company hopes to record further increase in the sales during the year 1999-2000.

FINANCIAL RESULTS :

| | Current Year ended 31st March, '99 (Rs. in Lacs) | Previous year ended 31st March, '98 (Rs. in Lacs) |
|---|---|--|
| Sales & other income | 1928.11 | 1262.78 |
| Profit before interest & Depreciation | 241.90 | 137.77 |
| Less : a) Interest & Finance Charges. | 36.77 | 11.32 |
| b) Depreciation | 27.02 | 22.04 |
| Profit before Tax | 178.11 | 104.41 |
| Add : Income Tax provision written back | 7.67 | - |
| Less : Provision for Taxation | 34.00 | 28.50 |
| Profit after Tax | 151.78 | 75.91 |
| Add (Less) Prior Period Adjustment | 0.55 | 0.19 |
| Add : Balance brought forward | 70.00 | 65.00 |
| Add : Amount transferred from Investment Allowance Reserve | - | 15.84 |
| Profit available for appropriation | 222.33 | 156.94 |
| APPROPRIATIONS : | | |
| General Reserve | 89.05 | 86.94 |
| Dividend | 48.00 | - |
| Tax on Dividend | 5.28 | - |
| Balance carried over | 80.00 | 70.00 |

DIVIDEND :

Your Directors are glad to recommend payment of dividend @ Rs. 2.50 per share of Rs. 10/- each for the year 31st March, 1999. The dividend payment would be of Rs.48.00 lacs and additional tax on distributed profits thereon @ 10% plus surcharge would be Rs. 5.28 lacs.

DEVELOPMENT :

In the last year's report, your Directors had informed about setting up the facility to manufacture Snap Action Discs. You will be pleased to know that the said facility has been commissioned and after successful trial runs your Company has been able to supply samples to the prospective customers. In certain cases, samples have been approved and the Company expects to receive regular orders.

In order to upgrade the Tool Room to meet the growing demand of sophisticated Toolings, the Company has made investments in acquiring modern equipment.



UNIT - II

The new industrial undertaking – UNIT-II which commenced commercial production in July 1997 contributed to company's annual turnover, a sum of - Rs. 584.51 lacs during the year 1998-99 as compared to Rs. 198.58 lacs during the year 1997-98. The present year's trends continue to be encouraging and Unit-II has enhanced its capacity by adding sophisticated Presses and allied equipment to meet the increase in demand.

PERSONNEL :

Your company continues to enjoy cordial relations with employees of all levels

APPROVED GRATUITY FUND :

The company has set up a trust in terms of policy taken for Approved Gratuity Fund from Life Insurance Corporation of India.

Y2K COMPLIANCE :

The Company has already taken necessary steps to update its existing software packages including inventory package to make it Y2K compliant.

DIRECTORS :

Mr. A.K. Sud and Brig. H.S. Sidhu (Retd.) Directors, retire by rotation under Article 142 of the Articles of Association of the Company and being eligible offer themselves for re-appointment.

Mr. P.S. Gill, who was engaged as Whole Time Director, designated as Chairman, retired as whole time director w.e.f. 1st June, 99. He however, continues to be Director of the company.

Your Directors deeply regret the untimely demise of the Directors, Mr. P.N. Handa on 19th Sept. 98 and Mr. S.N. Deogun on 20th Dec., 98. The Board sincerely places its appreciation for the contribution made by them during their association with the company.

AUDITORS :

M/s. Malik Kapur & Company, Chartered Accountants, retire 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 fact that their re-appointment, if made, would be in conformity with the limits specified in that section.

FIXED DEPOSITS :

The company has not raised any funds by way of deposits Under Section 58A of the Companies Act, 1956.

LISTING OF SHARES :

Your company's shares are listed on Mumbai, Delhi and Ludhiana Stock Exchanges. The requisite listing fee for the year 1999-2000 has also been remitted to these Stock Exchanges

PARTICULARS OF EMPLOYEES :

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended forms part of the report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Report and Accounts are being sent to all Shareholders of the Company excluding the statement of particulars of employees u/s 217(2A) of the said Act. Any shareholder interested in obtaining a copy of this statement may write to Sr. Manager (Fin. & Admn.) at the Registered Office of the Company.

ACKNOWLEDGEMENTS :

The Directors record their deep gratitude for the co-operation, assistance extended by the company's bankers, Indian Bank.