

24th Annual Report 2007-2008



**SHIVALIK BIMETAL
CONTROLS LIMITED**



"Shivalik Bimetal Controls Limited wins the Emerging India Awards 2008"



(From left) Mr. Kamal Nath, Hon'ble Minister of Commerce & Industry, Government of India, Mr. Lakshmi N. Mittal Chairman, ArcelorMittal Stainless & Nickel Alloys, Mr. N. S. Ghuman Managing Director, Shivalik Bimetal Controls Limited and Mr. S. S. Sandhu Chairman, Shivalik Bimetal Controls Limited during the Award Ceremony held in London on 8th July, 2008.

"Shivalik Bimetal Controls Ltd. joins hands with ArcelorMittal Stainless & Nickel Alloys and DNick Holding PLC"



(From left) Dr. G.P. Blumbach CEO, DNick Holding Plc; Ms. G. Rohr, CEO, Auerhammer Metallwerk GmbH; Mr N.S. Ghuman, Managing Director, Shivalik Bimetal Controls Ltd.; Mr S.S. Sandhu, Chairman, Shivalik Bimetal Controls Ltd.; Mr M. Chaboud, CEO, ArcelorMittal Stainless & Nickel Alloys; and Mr Sudhir Maheshwari, Executive Vice-President, ArcelorMittal Group; during the announcement of their joint venture in Delhi on 7th Feb, 2008.



SHIVALIK BIMETAL CONTROLS LIMITED

BOARD OF DIRECTORS

S.S. Sandhu
Chairman

N.S. Ghumman
Managing Director

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

Brig. H.S. Sidhu (Retd.)	Director
S.C. Verma	Director
A.K. Sud	Director
Rohit Kapur	Director
G.S. Gill	Director
N.J.S. Gill	Director
G.C. Prabhu	Director

K.S. Negi
General Manager (Finance & Admn.)

Pooja Hiranandani
Company Secretary

Auditors :

Malik S & Co.
(Formerly Malik Kapur & Co.)
Chartered Accountants
New Delhi

Bankers :

Indian Bank
Nehru Place
New Delhi-110 019

Registrar & Transfer Agent

M/s MAS Services Ltd.
AB-4, Safdarjung Enclave
New Delhi - 110029
Tell. No.- 26104142, 26104326
Fax - (91) (11) 26181081
Email- mas_serv@yahoo.com

Regd. Office :

16-18, New Electronics Complex
Chambaghat, Distt. Solan-173213
Himachal Pradesh

Head Office :

H-2, Suneja Chambers, 2nd Floor
Alaknanda Commercial Complex
New Delhi-110 019



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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 24th Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Tuesday, the 30th day of September, 2008 at Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.), at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the Audited Balance Sheet as at 31st March, 2008, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.**
2. **To declare final Dividend on equity shares for the year 2007-08.**
3. **To appoint a Director in place of Shri S. C. Verma, who retires by rotation and being eligible offers himself for re-appointment.**
4. **To appoint a Director in place of Shri Nirmaljeet Singh Gill, who retires by rotation and being eligible offers himself for re-appointment.**
5. **To appoint Auditors and fix their remuneration.**

SPECIAL BUSINESS:

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

"RESOLVED THAT, in accordance with the provisions of sections 198, 309 and 310 read with schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the increase in the remuneration from Rs. 2,50,000/- to Rs. 3,00,000/- per month of Shri N. S. Ghumman, Managing Director of the Company, for a period of 3 years w.e.f. 1st April 2008 on the terms and conditions as recommended by the Remuneration Committee and duly approved and adopted by the Board of Directors of the Company, subject to the limits as specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force or as may be hereafter be made by the Central Government in that behalf from time to time."

"RESOLVED FURTHER THAT the action of the Company for having made the payment of increased remuneration of Rs. 3,00,000/- per month w.e.f. 1st April 2008 to Shri N. S. Ghumman, Managing Director, be and is hereby taken on record and ratified."

7. **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 sections 198, 269, 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, and / or any statutory modification or re-enactment thereof from time to time and in force, the consent of the Company be and is hereby accorded to the re-appointment of Shri S. S. Sandhu, as Whole-time Director of the Company for a period of five years w.e.f. 1st August, 2008."

"RESOLVED FURTHER THAT, in accordance with the provisions of sections 198, 309 and 310 read with schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the increase in the remuneration from Rs. 2,50,000/- to Rs. 3,00,000/- per month of Shri S. S. Sandhu, Whole-time Director of the Company (subject to his re-appointment as a Whole-time Director for a period of five years w.e.f. 1st August, 2008) for a period of 3 years w.e.f. 1st April 2008 on the terms and conditions as recommended by the Remuneration Committee and duly approved and adopted by the Board of Directors of the Company, subject to the limits as specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force or as may be hereafter be made by the Central Government in that behalf from time to time."



"RESOLVED FURTHER THAT the action of the Company for having made the payment of increased remuneration of Rs. 3,00,000/- per month w.e.f. 1st April 2008 to Shri S. S. Sandhu, Chairman and Whole-time Director, be and is hereby taken on record and ratified."

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

"RESOLVED THAT, in accordance with the provisions of sections 198, 309 and 310 read with schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the increase in the remuneration from Rs. 2,00,000/- to Rs. 2,50,000/- per month of Shri D. J. S. Sandhu, Dy. Managing Director of the Company, for a period of 3 years w.e.f. 1st April 2008 on the terms and conditions recommended by the Remuneration Committee and duly approved and adopted by the Board of Directors of the Company, subject to the limits as specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force or as may be hereafter be made by the Central Government in that behalf from time to time."

"RESOLVED FURTHER THAT the action of the Company for having made the payment of increased remuneration of Rs. 2,50,000/- per month w.e.f. 1st April 2008 to Shri D. J. S. Sandhu, Dy. Managing Director, be and is hereby taken on record and ratified."

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

"RESOLVED THAT pursuant to section 314 (1)(b) and other applicable provisions if any of the Companies Act 1956, consent of the Company be and is hereby accorded to the increase in the remuneration from Rs. 25,000/- to Rs. 32,500/- per month of Shri Angad Sandhu as Mechanical Engineer with effect from 1st day of January, 2008 plus other perquisites and benefits as per Rules of the Company."

"RESOLVED FURTHER THAT the action of the Company for having made the payment of remuneration of Rs. 32,500/- per month w.e.f. 1st January, 2008 be and is hereby taken on record and ratified."

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

"RESOLVED THAT pursuant to section 314 (1)(b) and other applicable provisions, if any, of the Companies Act 1956, consent of the Company be and is hereby accorded to the appointment of Shri Kanav Anand as Assistant Manager (Marketing) with effect from 2nd day of December, 2007."

"RESOLVED FURTHER THAT pursuant to section 314 (1)(b) and other applicable provisions, if any, of the Companies Act 1956, consent of the Company be and is hereby accorded to the increase in the remuneration from Rs. 28,000/- to Rs. 35,500/- per month of Shri Kanav Anand as Assistant Manager (Marketing) with effect from 1st day of January, 2008 plus other perquisites and benefits as per Rules of the Company."

"RESOLVED FURTHER THAT the action of the Company for giving its consent to the appointment of Shri Kanav Anand as Assistant Manager (Marketing) and for having made the payment of remuneration of Rs. 28,000/- per month for the month of December, 2007 and an increased remuneration of Rs. 35,500/- per month w.e.f. 1st January, 2008 be and is hereby taken on record and ratified."

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

"RESOLVED THAT in modification of the resolution passed by the Company at the Annual General Meeting held on 30th day of September, 2005, pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company in terms of the aforesaid Section of the Act be and the same is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of money in any manner from time to time as may be required for the purpose of business of the company with or without security and upon such terms

ATTENDANCE SLIP**SHIVALIK BIMETAL CONTROLS LIMITED****Registered Office : 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE. Joint Shareholders may obtain additional Attendance Slip on request.

Name and Address of the Shareholder

Folio / Client ID No. :

No. of Shares held: _ _ _ _ _

I hereby record my presence at the **24th Annual General Meeting** of the Company held on Tuesday the 30th September, 2008 at Plot No. 16-18 New Electronics Complex, Chambaghat, Distt. Solan (H.P.) at 10.00 a.m.

Full Name of Proxy (in block letters)

Signature

(To be filled if the Proxy attends instead of Members)

Signature of Shareholder or Proxy*

*Strike out whichever is not applicable

Tear Here

PROXY FORM**SHIVALIK BIMETAL CONTROLS LIMITED****Registered Office : 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P.)**

Folio / Client ID No. :

Name of Shareholder : _ _ _ _ _

I/We.....

of.....being a member / members

of the Shivalik Bimetal Controls Limited hereby appoint.....

of

or failing him of

as my/our proxy to vote for me/us and on my/our behalf at the **24th Annual General Meeting** of the Company to be held on Tuesday the 30th September, 2008 at Plot No. 16-18 New Electronics Complex, Chambaghat, Distt. Solan (H.P.) at 10.00 a.m. or at any adjournment thereof.

Signed this.....day of.....2008

Affix a
Revenue
Stamp of
Rs. 1.00

Note : The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company



and conditions as they may think fit, notwithstanding that moneys to be borrowed including by way of issue of debt instrument/NCDs together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed to aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amount already borrowed and outstanding shall not exceed Rs. 6000 Lacs (Rupees Six Thousand Lacs Only).

"RESOLVED FURTHER THAT pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby given to the Board of Directors of the Company (the 'Board', which expression includes any Committee of the Board formed for this purpose) to create such charges, mortgages, hypothecations and encumbrances (which may be in addition to the existing charges, mortgages, hypothecations and encumbrances created by the Company) on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, provided that the aggregate amount of such loans (in respect of which such charges, mortgages, hypothecations and encumbrances is created), together with the interest thereon, additional interest, compound interest, liquidated damages, commitment charges and all other monies payable by the Company in respect of the said loans, shall not at any time exceed the limit of Rs. 6000 Lacs (Rupees Six Thousand Lacs Only)."

12. To consider and if thought fit to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Shri G. C. Prabhu who was co-opted by Board of Directors as an Additional Director of the Company under Article 129 of the Articles of Association of the Company with effect from 2nd day of September, 2008 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature to the office of Director of the Company, be and is hereby appointed a Director of the Company."

Regd. Office:
16-18, New Electronics Complex,
Chambaghat,
Distt. Solan (H.P)
September 2, 2008

By order of the Board
For SHIVALIK BIMETAL CONTROLS LIMITED

-Sd-

N.S.GHUMAN
MANAGING DIRECTOR



NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the company. A proxy shall not have any right to speak at the meeting and shall not vote except on a poll.
2. The instrument appointing the proxy to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting.
3. An Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of the special business to be transacted at the meeting is annexed hereto.
4. Disclosures pursuant to Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment at forthcoming Annual General Meeting are given in Annexure I.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 26.09.2008 to 30.09.2008 (both days inclusive) for the purpose of Annual General Meeting.
6. Shareholders are advised to send all the requests regarding electronic / physical share transfer and correspondence in relation to share matters to the Company's Registrar and Share Transfer Agent (RTA) at the following address:

**M/s. MAS Services Ltd.
AB-4, Safdarjung Enclave,
New Delhi-110029**

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

7. Shareholders desirous of obtaining any information relating to accounts and operation of the company may address their queries / questions to the Company's Head Office, so as to reach at least five days before the date of the meeting so that the information may be made available at the meeting to the best extent possible.
8. All documents referred to in the accompanying notice and the explanatory statements are available at the Registered Office of the Company.



Annexure to Notice

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

Item No. 6, 7 and 8

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

General Information

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

There has been an increase of 17.36% in sales and other income during the FY 2007-08 as compared to FY 2006-07. The Company achieved sales and other income of Rs. 8269.41 lacs during the FY 2007-08 as compared to Rs. 7046.02 lacs during the FY 2006-07.

The total foreign exchange earned by the Company as on 31st March 2008 comes to Rs. 2307.72 and the total foreign exchange spent by the Company during the same period aggregate to a sum of Rs. 2792.79 lacs.

A 100% subsidiary company named Shivalik Bimetal Engineers Pvt. Ltd. (SBEPL) was incorporated on 27th February, 2008 for providing Technical and Engineering Services. During the period ended 31st March, 2008, SBEPL has achieved total income of Rs. 3.50 lacs (Net of Service Tax) from providing Technical & Engineering Services.

The Joint Venture Company named Checon Shivalik Contact Solutions Pvt. Ltd. has achieved sales and other income of Rs. 788.06 lacs during the FY 2007-08 as compared to Rs. 185.79 during the FY 2006-07. The Company's investment in the said Joint Venture Company stands at Rs. 118.96 lacs as on 31.03.2008.

The Company has also entered into a Joint Venture with world known Arcelor Mittal Stainless and Nickel Alloys, France and DNick Holding PLC, UK to set up facilities for manufacturing clad metals at SEZ, Pithampur (Indore) in India. The Company's investment in the said Joint Venture Company stands at Rs. 20 lacs as at 31.03.2008.

Other information

The Company's PBT and PAT for year ended 31st March 2008 are Rs. 710.46 lacs & Rs. 685.74 lacs as against Rs. 683.71 lacs & Rs. 645.93 lacs for the year ended 31st March 2007 respectively. However, while determining net profits in the manner laid down in section 349, the overall managerial remuneration payable under the provisions of section 198 read with the provisions of section 309 of the Companies Act, 1956 exceeds the limit prescribed therein.

According to sub clause (iv) of clause B under section II of part II of schedule XIII of the Companies Act, 1956, the Company can pay the managerial remuneration upto Rs. 3,00,000/- per month to a managerial person based on its current effective capital which is Rs. 4083 lacs as on 31st March 2008.

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

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

Disclosure

The Company through this notice is informing the shareholders of the Company regarding increase in the remuneration packages of Shri N. S. Ghuman, Managing Director, from Rs. 2.50 lacs to Rs. 3.00 lacs per month, Shri S. S. Sandhu, Chairman and Whole-time Director from Rs. 2.50 lacs to Rs. 3.00 lacs per month, and Shri D. J. S. Sandhu, Dy. Managing Director from Rs. 2.00 lacs to Rs. 2.50 lacs per month w.e.f. 1st April 2008 for a period of 3 years.