



SHIVALIK BIMETAL CONTROLS LIMITED



BOARD OF DIRECTORS

S.S. Sandhu
Chairman

N.S. Ghumman
Managing Director

D.J.S. Sandhu, Dy. Managing 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

CFO - Corporate

Pooja Hiranandani

Company Secretary

Auditors :

Malik S & Co.
Chartered Accountants
New Delhi

Bankers :

Indian Bank

Registrar & Transfer Agent :

M/s MAS Services Ltd.
T - 34, IInd Floor,
Okhla Industrial Area, Phase - II,
New Delhi - 110020
Tel. No. - (91) (11) 26387281, 26387282
Fax - (91) (11) 26387284
E-mail : 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 - 110019



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Important Communication to Members

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless Compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to provide / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members holding shares in physical form are requested to fill the Registration Form (refer page 79 of the Annual Report) and register the same with the Company by sending the same at the Registered Office or Head Office of the Company. Members can also intimate / update their e-mail address to the Company by sending an e-mail at investor@shivalikbimetals.com.



NOTICE TO THE MEMBERS



NOTICE is hereby given that the 27th Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Wednesday, the 28th day of September, 2011 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, 2011, 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 2010-11.
3. To appoint a Director in place of Mr. Nirmaljeet Singh Gill, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. G. C. Prabhu, 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 Special Resolution:

“RESOLVED THAT in modification of resolution no. 6 passed by the members at the Annual General Meeting held on 24th September, 2010, approving the increase in remuneration of Mr. N. S. Ghumman as Managing Director of the Company and in accordance with the provisions of the section 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approval and which may be agreed to and accepted by the Board of Directors of the Company and Mr. N. S. Ghumman, Managing Director of the Company, consent of the Company be and is hereby accorded for the revised remuneration of Mr. N. S. Ghumman, Managing Director of the Company, by way of salary from Rs. 3,00,000/- per month to Rs. 3,60,000/- per month plus other perquisites and benefits, w.e.f. 1st April, 2011 for a period of three years upto and including 31st March, 2014, on the following terms and conditions:-

A. SALARY:

The Managing Director's annual salary will be Rs. 43.20 Lacs (excluding perquisites), with authority to the Board of Directors of the Company to give annual increments not exceeding 20 % of the immediately previously drawn salary and payable in twelve (12) equal monthly installments, for a period of 3 years. All Payments received by the Managing Director pursuant to his appointment as Managing Director would be subject to applicable statutory deductions including tax deduction at source as applicable under the provisions of the Income Tax Act and the Rules made thereunder.

B. HOUSING:

House Rent Allowance may be provided by the Company subject to ceiling of 60% of basic salary.

OR

The Company may provide Rent Free Accommodation together with, in part or in full, Furniture and Fittings that's needed to set up home such as electrical appliances, air conditioners etc. during the tenure of Managing Director.

C. PERQUISITES:

- a. 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.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.

- c. Club Fee: - Fee of Clubs subject to a maximum of two clubs provided that no life membership or admission fees will be allowed.
- d. Personal Accident Insurance: - Premium as per Rules of the Company.
- e. Company's contribution towards pension / superannuation as per Rules of the Company for the time being in force but such contribution together with Provident Fund shall not exceed 25% of the salary or such other increased amount provided that the same is not taxable under the Income Tax Act.
- f. Company's Contribution towards Provident Fund as per Rules of the Company for the time being in force but not to exceed 12% of the salary.
- g. 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.
- h. Free use of telephone at residence but long distance personal calls shall be billed by the company.
- i. Free use of company's car with Driver for the business of the Company.
- j. 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.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take all actions and do all such deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in this regard."

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

"RESOLVED THAT, in modification of the resolution no. 7 passed by the members at the Annual General Meeting held on 24th September, 2010, approving the increase in remuneration of Mr. S. S. Sandhu as Chairman & Whole-time Director of the Company and in accordance with the provisions of the section 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approval and which may be agreed to and accepted by the Board of Directors of the Company and Mr. S. S. Sandhu, Chairman and Whole Time Director of the Company, consent of the Company be and is hereby accorded for the revised remuneration of Mr. S. S. Sandhu, Chairman and Whole Time Director of the Company, by way of salary from Rs. 3,37,837/- per month (as approved by Central Government vide its letter ref no. A83835777/2/2010/CL.VII dated 6th January, 2011) to Rs. 3,60,000/- per month plus other perquisites and benefits, w.e.f. 1st April, 2011 for a period of three years upto and including 31st March, 2014, on the following terms and conditions:-

A. SALARY:

The Whole Time Director's annual salary will be Rs. 43.20 Lacs (excluding perquisites), with authority to the Board of Directors of the Company to give annual increments not exceeding 20 % of the immediately previously drawn salary and payable in twelve (12) equal monthly installments, for a period of 3 years. All Payments received by the Whole Time Director pursuant to his appointment as Whole Time Director would be subject to applicable statutory deductions including tax deduction at source as applicable under the provisions of the Income Tax Act and the Rules made thereunder.

B. HOUSING:

House Rent Allowance may be provided by the Company subject to ceiling of 60% of basic salary.

OR

The Company may provide Rent Free Accommodation together with, in part or in full, Furniture and Fittings that's needed to set up home such as electrical appliances, air conditioners etc. during the tenure of Whole Time Director.

C. PERQUISITES:

- a. 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.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- c. Club Fee: - Fee of Clubs subject to a maximum of two clubs provided that no life membership or admission fees will be allowed.
- d. Personal Accident Insurance: - Premium as per Rules of the Company.
- e. Company's contribution towards pension / superannuation as per Rules of the Company for the time being in force but such contribution together with Provident Fund shall not exceed 25% of the salary or such other increased amount provided that the same is not taxable under the Income Tax Act.
- f. Company's Contribution towards Provident Fund as per Rules of the Company for the time being in force but not to exceed 12% of the salary.
- g. 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.
- h. Free use of telephone at residence but long distance personal calls shall be billed by the company.
- i. Free use of company's car with Driver for the business of the Company.
- j. 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.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take all actions and do all such deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in this regard."

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

"RESOLVED THAT, in modification of the resolution no. 8 passed by the members at the Annual General Meeting held on 24th September, 2010, approving the increase in remuneration of Mr. D. J. S. Sandhu as Deputy Managing Director of the Company and in accordance with the provisions of the section 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce) and subject to approval of the Central Government, as may be required and subject to such conditions or modifications as may be prescribed or imposed by the Central Government, while granting such approval and which may be agreed to and accepted by the Board of Directors of the Company and Mr. D. J. S. Sandhu, Deputy Managing Director of the Company, consent of the Company be and is hereby accorded for the revised remuneration of Mr. D. J. S. Sandhu, Deputy Managing Director of the Company, by way of salary from Rs. 2,50,000/- per month to Rs. 3,00,000/- per month plus other perquisites and benefits, w.e.f. 1st April, 2011 for a period of three years upto and including 31st March, 2014, on the following terms and conditions:-

A. SALARY:

The Deputy Managing Director's annual salary will be Rs. 36.00 Lacs (excluding perquisites), with authority to the Board of Directors of the Company to give annual increments not exceeding 20 % of the immediately previously drawn salary and payable in twelve (12) equal monthly installments, for a period of 3 years. All

Payments received by the Deputy Managing Director pursuant to his appointment as Deputy Managing Director would be subject to applicable statutory deductions including tax deduction at source as applicable under the provisions of the Income Tax Act and the Rules made thereunder.

B. HOUSING:

House Rent Allowance may be provided by the Company subject to ceiling of 60% of basic salary.

OR

The Company may provide Rent Free Accommodation together with, in part or in full, Furniture and Fittings that's needed to set up home such as electrical appliances, air conditioners etc. during the tenure of Deputy Managing Director.

C. PERQUISITES:

- a. 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.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- c. Club Fee: - Fee of Clubs subject to a maximum of two clubs provided that no life membership or admission fees will be allowed.
- d. Personal Accident Insurance: - Premium as per Rules of the Company.
- e. Company's contribution towards pension / superannuation as per Rules of the Company for the time being in force but such contribution together with Provident Fund shall not exceed 25% of the salary or such other increased amount provided that the same is not taxable under the Income Tax Act.
- f. Company's Contribution towards Provident Fund as per Rules of the Company for the time being in force but not to exceed 12% of the salary.
- g. 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.
- h. Free use of telephone at residence but long distance personal calls shall be billed by the company.
- i. Free use of company's car with Driver for the business of the Company.
- j. 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.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to take all actions and do all such deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in this regard."

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

"RESOLVED THAT pursuant to section 198, 309 & 314 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being enforce), the Company hereby accords its consent to Mr. G. C. Prabhu, a director of the Company, for holding and continue to hold an office or place of profit under the Company, in the capacity as a Professional Director, for providing his expertise and experienced services in the field of Engineering, with effect from 1st June, 2011 till 31st May, 2013 on remuneration of Rs. 1,25,000/- per month and on other terms and conditions as set out in his letter of Appointment, dated 6th June, 2011, which is placed before the meeting and subscribed by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it considers necessary, desirable or expedient for the purpose of giving effect to this resolution."

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 or any amendment or substitution thereof, consent of the Company be and is hereby accorded for increase in the remuneration of Mr. Angad Sandhu, a relative of Mr. S. S. Sandhu, Chairman & Whole Time Director of the Company, for holding and continue to hold office or place of profit in the Company as Assistant General Manager – Commercial, by way of salary from Rs. 6,00,000/- per annum to Rs. 7,50,000/- per annum plus other perquisites and benefits as per rules of the Company, w.e.f. 1st May, 2011, on the following terms and conditions:

- (i) Salary : Rs. 7,50,000/- per annum, with a provisions for increase in salary of not more than 25 % per annum over the previous year, every year until otherwise decided by the Board of Directors.
- (ii) In addition to salary, such other allowances, perquisites, benefits and amenities as applicable to the Company’s Executives in the similar grade.

RESOLVED FURTHER THAT the action of the Company for having made the payment of remuneration comprising salary and perquisites to Mr. Angad Sandhu w.e.f. 1st May, 2011, 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 pursuant to section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or substitution thereof, consent of the Company be and is hereby accorded for increase in the remuneration of Mr. Kanav Anand, a relative of Mr. D. J. S. Sandhu, Deputy Managing Director of the Company, for holding and continue to hold office or place of profit in the Company as Assistant General Manager (Marketing), by way of salary from Rs. 6,36,000/- per annum to Rs. 7,86,000/- per annum plus other perquisites and benefits as per rules of the Company, w.e.f. 1st May, 2011, on the following terms and conditions:

- (i) Salary : Rs. 7,86,000/- per annum, with a provisions for increase in salary of not more than 25 % per annum over the previous year, every year until otherwise decided by the Board of Directors.
- (ii) In addition to salary, such other allowances, perquisites, benefits and amenities as applicable to the Company’s Executives in the similar grade.

RESOLVED FURTHER THAT the action of the Company for having made the payment of remuneration comprising salary and perquisites to Mr. Kanav Anand w.e.f. 1st May, 2011, be and is hereby taken on record and ratified.”

12. 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 or any amendment or substitution thereof, consent of the Company be and is hereby accorded to the appointment of Mr. Kabir Ghumman, a relative of Mr. N. S. Ghumman, Managing Director of the Company, to hold and continue to hold office or place of profit in the Company as Assistant General Manager - Plant, on a remuneration by way of salary of Rs. 7,54,632/- per annum plus other perquisites and benefits as per rules of the Company, w.e.f. 1st May, 2011, on the following terms and conditions:

- (i) Salary : Rs. 7,54,632/- per annum, with a provisions for increase in salary of not more than 25 % per annum over the previous year, every year until otherwise decided by the Board of Directors.
- (ii) In addition to salary, such other allowances, perquisites, benefits and amenities as applicable to the Company’s Executives in the similar grade.

RESOLVED FURTHER THAT the action of the Company for giving its consent to the appointment of Mr. Kabir Ghumman as Assistant General Manager - Plant and for having made the payment of remuneration comprising salary and perquisites to Mr. Kabir Ghumman w.e.f. 1st May, 2011, be and is hereby taken on record and ratified.”

13. 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 Extra-ordinary General Meeting held on 29th day of April, 2011, 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 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. 100.00 Crores (Rupees One Hundred Crore 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. 100.00 Crores (Rupees One Hundred Crore Only).”

Place : New Delhi
Date : August 19, 2011

By order of the Board
For **SHIVALIK BIMETAL CONTROLS LIMITED**

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

Sd/-
(N. S. GHUMMAN)
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.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 24.09.2011 to 28.09.2011 (both days inclusive) for the purpose of Annual General Meeting.
6. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants with whom the members are maintaining their demat accounts.
7. Members holding shares in physical form are advised to send all the requests regarding 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.
T – 34, IInd Floor,
Okhla Industrial Area, Phase – II,
New Delhi-110020**

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

8. Members desirous of obtaining any information relating to accounts and operations 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.
9. All documents referred to in the accompanying notice and the explanatory statements are available at the Registered Office of the Company.
10. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
11. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless Compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to provide / update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants or send an e-mail at info@masserv.com or investor@shivalikbimetals.com to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to intimate their e-mail address to MAS Services Limited either by e-mail at info@masserv.com or investor@shivalikbimetals.com or by sending a communication at the Registered Office or Head Office of the Company or at the address mentioned below:

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

Annexure to Notice

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

ITEM NO. 6, 7 & 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 business of manufacturing Thermostatic Bimetal / Trimetal Strips and Components since the year 1986. The manufacturing facilities are located at Chambaghat, District Solan, Himachal Pradesh, since inception of the Company. During the period of more than two and a half decades of its existence, the Company has been able to capture more than 80% of the domestic market of the Company's products, at the same time establishing exports to more than 35 countries world over. The Company has maintained steady growth and is poised for making major forays into Clad Products market using cold bonded technology.

There has been an increase of 21.99 % in sales and other income during the FY 2010-11 as compared to FY 2009-10. The Company achieved sales and other income of Rs. 9,647.16 lacs during the FY 2010-11 as compared to Rs. 7,908.36 lacs during the FY 2009-10.

The total foreign exchange earned by the Company for the FY 2010-11 comes to Rs. 3,428.15 lacs and the total foreign exchange spent by the Company during the same period aggregate to a sum of Rs. 4,418.36 lacs.

On January 1, 2011, 'Shivalik Bimetal Engineers Pvt. Ltd. (SBEPL), 100% Subsidiary of the Company had allotted 1,34,500 Equity Shares to shareholders other than Shivalik Bimetal Controls Limited (Shivalik). The resultant Shareholding of Shivalik in SBEPL is 45% of the total issued, subscribed and paid-up share capital, as such SBEPL is no longer a subsidiary of Shivalik w.e.f. 1st January, 2011.

The Joint Venture Company named Checon Shivalik Contact Solutions Pvt. Ltd. has achieved sales and other income of Rs. 1,163.41 lacs during the FY 2010-11 as compared to Rs. 586.40 lacs during the FY 2009-10. The Company's investment in the said Joint Venture Company stands at Rs. 118.95 lacs as on 31.03.2011.

The Joint Venture Company named Innovative Clad Solutions Pvt. Ltd., (ICS) in which your Company has 33.33 % share has set up manufacturing unit at Pithampur, District Dhar in Madhya Pradesh, India for manufacturing Industrial Clad Products and has commenced its commercial production w.e.f. 02.02.2010 in the FY 2009-10. This being a greenfield project, it has to go through the process of stabilization of manufacturing operations, sampling, dispatch of pilot lots, approval / acceptability of the product by the buyer. All this process is taking somewhat more time than envisaged earlier. However, your directors foresee positive commercial operations in the near future. The Company's investment in the said Joint Venture Company stands at Rs. 1052.00 lacs as at 31.03.2011.

Other information

The Company's PBT and PAT for year ended 31st March 2011 are Rs. 870.88 lacs & Rs. 643.18 lacs as against Rs. 691.24 lacs & Rs. 510.90 lacs for the year ended 31st March 2010 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.

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. In line with Company's endeavor to establish itself as a major manufacturer and supplier of Bimetal world over, the