

**32<sup>nd</sup>**  
**ANNUAL**  
**REPORT**  
**2015-16**



**SHIVALIK BIMETAL**  
**CONTROLS LIMITED**





## CONTENTS IN THIS REPORT

**Page No.**

<input type="checkbox"/> <b>Company Information .....</b>	<b>1</b>
<input type="checkbox"/> <b>Notice to the Members.....</b>	<b>2</b>
<input type="checkbox"/> <b>Directors' Report .....</b>	<b>10</b>
<input type="checkbox"/> <b>Extract of Annual Return .....</b>	<b>22</b>
<input type="checkbox"/> <b>Secretarial Audit Report .....</b>	<b>33</b>
<input type="checkbox"/> <b>Report on Corporate Social Responsibility Activities .....</b>	<b>35</b>
<input type="checkbox"/> <b>Corporate Governance Report .....</b>	<b>38</b>
<input type="checkbox"/> <b>Management Discussion and Analysis Report .....</b>	<b>54</b>
<input type="checkbox"/> <b>Managing Director (MD) and Chief Financial Officer (CFO) Certificate .....</b>	<b>57</b>
<input type="checkbox"/> <b>Auditors' Certificate on Corporate Governance .....</b>	<b>58</b>
<input type="checkbox"/> <b>Standalone Financial Statements.....</b>	<b>59</b>
<input type="checkbox"/> <b>Consolidated Financial Statements.....</b>	<b>91</b>
<input type="checkbox"/> <b>Registration Form .....</b>	<b>120</b>
<input type="checkbox"/> <b>Proxy Form .....</b>	<b>122</b>
<input type="checkbox"/> <b>Route Map of AGM .....</b>	<b>123</b>

### **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 circular 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 120 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](mailto:investor@shivalikbimetals.com).



## COMPANY INFORMATION

<b>The Board of Directors</b>	: Mr. S.S. Sandhu, Chairman Mr. N.S. Ghumman, Managing Director Mr. Rohit Kapur, Director Mr. G.S. Gill, Director Mr. N.J.S. Gill, Director Lt. Gen. Pradeep Khanna, Director Capt. Jitender Singh Mann, Director Mrs. Harpreet Kaur, Women Director
<b>Chief Financial Officer</b>	: Mr. Mukesh Kumar Verma
<b>Company Secretary</b>	: Mr. Ram Pravesh
<b>Registered Office</b>	: 16-18, New Electronics Complex, Chambaghat, Distt. Solan-173213 Himachal Pradesh. Phone : +91-1792-230578, 230175 Fax : +91-1792-230475 Email : nsghumman@shivalikbimetals.com Website: www.shivalikbimetals.com CIN: L27101HP1984PLC005862
<b>Head Office</b>	: H-2, Suneja Chambers, 2nd Floor, Alaknanda Commercial Complex, New Delhi-110019 Phone : +91-11-26027174, 26026362, 26028175 Fax : +91-11-26026776, 26020806 Email : investor@shivalikbimetals.com Website: www.shivalikbimetals.com
<b>Statutory Auditors</b>	: Malik S & Co., Chartered Accountants, 1/101, (L G F) Old Rajinder Nagar, Sir Ganga Ram Hospital Marg, New Delhi- 110 060
<b>Bankers</b>	: Indian Bank Nehru Place, New Delhi-110019
<b>Registrar &amp; Share Transfer Agent</b>	: M/s MAS Services Ltd. T – 34, IInd Floor, Okhla Industrial Area, Phase – II, New Delhi-110020, Tel No.: (91) (11) 26387281, 266387282 Fax: (91) (11) 26387384 Email: info@masserv.com
<b>Secretarial Auditors</b>	M/s. R Miglani & Co., Company Secretaries
<b>Internal Auditors</b>	M/s. AMR & Co., Chartered Accountants



## NOTICE TO THE MEMBERS



NOTICE is hereby given that the 32nd Annual General Meeting of the Members of Shivalik Bimetal Controls Limited will be held on Tuesday, the 20th day of September, 2016 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:

- (a) the Audited Financial Statements of the Company for the Financial year ended at March 31, 2016, together with the Reports of the Board of Directors and Auditors thereon;
- (b) the Consolidated Financial Statements of the Company for the Financial year ended at March 31, 2016 together with the Report of the Auditors thereon;

#### 2. To appoint a Director in place of Mr. G. S. Gill (DIN: 00007393), who retires by rotation and being eligible offers himself for re-appointment.

#### 3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s Malik S & Co., Chartered Accountants (Registration No. 00383N), New Delhi, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with Auditors.”

### SPECIAL BUSINESS :

#### 4. To consider adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the set of Articles of Association containing Article nos. 1 to 143 submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment(s) thereof, for the time being in force), the consent of the Company be and is hereby accorded to the re-appointment of Mr. N. S. Ghuman, as Managing Director of the Company for a period of five (5) years w.e.f. 1st April, 2016 to 31st March, 2021, at a managerial remuneration, perquisites and other terms and conditions are mentioned hereunder:-

Particulars	Amount (Rupees in Lacs)
Basic Salary	53.70
House Rent Allowance : 50% of Basic Salary	26.85
Perquisites as per rule of the Company	3.00
Remuneration	83.55

Contribution to EPF amounting to Rs. 6.44 Lacs does not form part of remuneration, as such not included in above.

**FURTHER RESOLVED THAT** Directors of the Company be and are hereby authorized to complete all the formalities as required for the above-said purpose.”



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

**“RESOLVED THAT** pursuant to the provisions of Sections 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment(s) thereof, for the being in force), the consent of the Company be and is hereby accorded the revision in managerial remuneration of Mr. S. S. Sandhu, as Whole time Director of the Company for a period of one (1) year w.e.f. 01st April, 2016 to 31st March, 2017, with such terms and conditions are mentioned hereunder:-

Particulars	Amount (Rupees in Lacs)
Basic Salary	53.70
House Rent Allowance : 50% of Basic Salary	26.85
Perquisites as per rule of the Company	3.00
Remuneration	83.55

Contribution to EPF amounting to Rs. 6.44 Lacs does not form part of remuneration, as such not included in above.

**FURTHER RESOLVED THAT** Directors of the Company be and are hereby authorized to complete all the formalities as required for the above-said purpose.”

Place : New Delhi  
Date : August 11, 2016

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

Sd/-

**Registered Office:**  
16-18, New Electronics Complex,  
Chambaghat, Distt. Solan (H. P.)  
CIN: L27101HP1984PLC005862  
e-mail: investor@shivalikbimetals.com

**N. S. Ghuman**  
**Managing Director**  
DIN: 00002052

Village Basal, Chambaghat District Solan  
173213, Himachal Pradesh, India

**NOTES :**

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Disclosures pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Directors seeking re-appointment at forthcoming Annual General Meeting are given in Annexure.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 14.09.2016 to 19.09.2016 (both days inclusive) for the purpose of Annual General Meeting.
5. The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013, in respect of the special business under item No. 4, 5 & 6 is annexed hereto.



6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours i.e. 09:30 A.M. to 06:00 P.M. up to the date of the Meeting.
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. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Annual General Meeting.
10. 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.
11. Pursuant to Section 124 and 125 of the Companies Act, 2013 and other applicable provisions all unclaimed/unpaid dividend for the years prior to and including for the financial year 2008-09 (Interim Dividend) have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

In case the Dividend has remained unclaimed for any of the financial year from 2008-09 (Final Dividend), the Shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend.

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 circular 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](mailto:info@masserv.com) or [investor@shivalikbimetals.com](mailto: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](mailto:info@masserv.com) or [investor@shivalikbimetals.com](mailto: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

13. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The procedure and instructions for members for e-voting are as under:

- 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. "SBCL-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 (a) 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 "Shivalik Bimetal Controls 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 [plawizard@gmail.com](mailto:plawizard@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. In case of Members receiving Physical copy of Notice of 32nd 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.
- III. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- IV. 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.
- V. 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).
- VI. 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 13th September, 2016.
- VII. 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. 13th September, 2016, may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- VIII. 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.





- IX. 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.
- X. The e-voting period commences on 17th September, 2016 (09.00 a.m.) and ends on 19th September, 2016 (05.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 13th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- XI. Mr. Purshotam Lal Arora, Practicing Chartered Accountant (Membership No. 081294), Proprietor of M/s P L Arora & Co., Chartered Accountants has been appointed 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.
- XII. 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.
- XIII. 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 two 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.
- XIV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.shivalikbimetals.com](http://www.shivalikbimetals.com) and 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.



## **Annexure to Notice**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

#### **ITEM NO. 4**

With the coming into force of new Companies Act, 2013 several regulations of the existing Articles of Association of the Company require alteration or deletions in several articles. Therefore, to ensure that Articles of Association of the Company are not in conflict with the provisions as contained in the new Companies Act, 2013 and regulations made thereunder and various explanations/ clarifications issued by Ministry of Corporate Affairs from time to time, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

The new set of Articles of Association containing Articles no. 1 to 143 are to be substituted in place of the existing Articles of Association.

The proposed new draft Articles of Association is being uploaded on the Company's website at [www.shivalikbimetals.com](http://www.shivalikbimetals.com) for perusal by the shareholders.

None of the Directors of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

These documents shall be available for inspection during the business hours i.e. 09:30 A.M to 06:00 P.M. at the registered office of the company.

#### **ITEM NO. 5**

Keeping in view the contribution made by Mr. N. S. Ghumman for sustaining the growth of the business of the Company futuristically, the Board of Directors in their meeting held on 9th February, 2016, decided to reappoint Mr. N. S. Ghumman as Managing Director of the Company for another term of 5 years effective from 1st April, 2016 subject to approval of the Shareholders in General Meeting.

Mr. N. S. Ghumman is one of the promoter Directors of the Company and is associated with the Company from the date of inception. He is a highly qualified and a widely experienced technocrat having experience of over 43 years in the field of engineering, manufacturing operations, Research & Development/ Product Development activities etc.

During this period, under his stewardship the Company has undertaken many challenging initiatives, implemented critical expansion programs and has enhanced manufacturing capabilities and capacities with the result that the Company's products find more and more acceptability, world over.

During the fifth year of his appointment as Managing Director of the Company, Mr. N. S. Ghumman would be attaining the age of seventy years (70 yrs.) on 24th August, 2020. In accordance with the provisions of section 196 of the Companies Act, 2013, Mr. N. S. Ghumman's appointment as Managing Director beyond the age of seventy years (70 yrs.) would need Special resolution to be passed by the members in the forthcoming General Meeting.

Mr. N. S. Ghumman enjoys robust health and is actively associated in the development of new products accompanied by research & development. The Board recommends the resolution to be passed as special resolution by the Shareholders as per the requirements Companies Act, 2013.

None of the Directors, except Mr. S. S. Sandhu, who is brother-in-law of Mr. N. S. Ghumman is concerned or interested in the proposed resolution.

#### **ITEM NO. 6**

Pursuant to provisions of section 197 and 198 read with schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re- enactment(s) thereof, for the being in force), the Board decided upon recommendation of Nomination and Remuneration committee to revise the existing managerial remuneration, perquisites and terms and conditions of Mr. S. S. Sandhu for a period of one year from 01st April, 2016 to 31st March 2017.