

31st

ANNUAL REPORT



SHIVALIK RASAYAN LIMITED

SHIVALIK RASAYAN LIMITED

BOARD OF DIRECTORS

Shri Rahul Bishnoi	:	Chairman
Shri S. K. Singh	:	Managing Director
Shri Anirudh Bishnoi	:	Director
Shri Tejasvi Bishnoi	:	Director
Shri Ashwani Sharma	:	Director
Shri Puneet Chandra	:	Director
Shri Harish Pande	:	Director

AUDITORS	:	M/s Ramkrishna & Company, Chartered Accountants, D-63, Panchsheel Enclave, New Delhi - 110 017
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REGISTERED OFFICE AND FACTORY	:	Village Kolhupani, P.O. Chandanwari, Dehradun - 248 007
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CORPORATE OFFICE	:	1506, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110 019 Tel No. (011) 26221811, 26418182 E-mail: srl@vsnl.com, srl@airtelmail.in Website: www.shivalikrasayan.in
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SHARE REGISTRAR	:	M/s Beetal Financial & Computer Services Pvt. Limited BEETAL House, 3 rd Floor, 99, Madangir, Behind Local Shopping Complex, New Delhi - 110 062 Tel No. (011) 29961281, 29961282 E-mail: beetal@beetalfinancial.com
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NOTICE

NOTICE is hereby given that the Thirty First Annual General Meeting of Shivalik Rasayan Limited will be held on Wednesday the 30th September, 2009 at 3.00 P.M. at the Registered Office of the Company at Village Kolhupani, P.O. Chandanwari, Dehradun to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as on 31st March 2009, Profit & Loss Account for the period from 1st April 2008 to 31st March 2009 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Tejasvi Bishnoi, who retires by rotation and being eligible offers himself for re-appointment.
3. 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 Section 224 and other applicable provisions, if any, of the Companies Act, 1956, approval of the members be and is hereby accorded for re-appointment of M/s Ramkrishna & Company, Chartered Accountants, 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 on such remuneration as may be fixed by the Board of Directors plus Services Tax, reimbursement of actual traveling and out-of-pocket expenses incurred by them for the purpose of audit.”

By order of the Board
for Shivalik Rasayan Ltd.

Place : New Delhi
Dated : 12th August, 2009

S. K. Singh
Managing Director

NOTES:

1. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
2. 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. A Proxy Form is sent herewith. The Proxy Form duly completed should reach the Registered Office of the company not later than 48 hours before the start of the meeting.
3. If any more information is require by any shareholder, he is requested to convey the same to the Registered Office of the Company so as to reach us at least one week before the date of the meeting.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 31st Annual Report together with an audited statement of account for the year ended on 31st March 2009 and Auditors' Report thereon.

WORKING RESULTS

The Sales of your company have increased by 18.90% during the year when compared to last year's performance though the net profits have dropped due to hike in raw material prices.

Financial Data (Rs. in Lac)	Current Year	Previous Year
Sales	2015.80	1695.27
Other Income	4.93	6.22
Profit before Depreciation	31.47	56.52
Depreciation	9.03	8.57
Profit for the year before Tax	22.44	47.95
Provision for taxation	5.85	(4.83)
Deferred Tax Assets/(Liability)	(1.28)	(11.29)
NET PROFIT FOR APPROPRIATION	15.31	31.83

DIVIDEND

The company has recovered accumulated losses this year only and financial positions of the company does not allow this year to recommend any dividend.

CURRENT OUTLOOK

The net profit before depreciation is Rs.31.47 lacs. Though the sales in terms of purchase has increased but sold quantity has reduced. The rates of Phosphorus Pentasulphide (P255) soared to the ever highest rates of Rs.180/- per kg in view of export duty levied by Chinese Government on Yellow Phosphorus. The production remained suspended for approximately two months. Your company had to approach the Directorate of Safeguards for protection.

FINANCE

During the year, the Company has raised Rs.400.00 lacs through preferential issue of equity shares by allotting 10,00,000 equity shares of Rs.10/- each at a premium of Rs.30/- per share.

CORPORATE GOVERNANCE

Your Company has fully complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance.

A report of Corporate Governance Practices and Management Discussion and Analysis are given as annexure to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm as under:-

- that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

DIRECTORS' REPORT

- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the directors have prepared the annual accounts on a going concern basis.

DIRECTORS

Shri Tejasvi Bishnoi retires by rotation and is eligible for re-appointment.

SECRETARIAL COMPLIANCE CERTIFICATE

A Secretarial Compliance Certificate pursuant to Section 383A of the Companies Act, 1956, is attached herewith.

QUALIFICATION IN THE AUDITORS' REPORT

The qualifications in the Auditors' Report have been well explained in the Notes to Financial Statements and are self-explanatory. Further, the Directors would like to clarify as under:-

The company has been making a provision towards the payment of gratuity liability in its books of account as per the provisions of the Payment of Gratuity Act, 1972. Similarly, liability towards leave encashment is being provided for encashable leave due to the employees on the basis of last salary drawn. Accounting Standard (AS) - 15 "Accounting for Retirement Benefits in the Financial Statements of Employers" issued by the Institute of Chartered Accountants of India, states that the liability towards retirement benefits should be ascertained and provided for on the basis of actuarial valuation. Further, it requires that the company should make contribution to a trust fund or insurer for this purpose. The circumstances of the company so far do not permit it to bear expenses for an Actuarial Valuation and contribute to a trust fund from the already scarce sources of funds. However, your Directors are hopeful that with the improving position of the company, steps will be taken to comply with the relevant provisions in the future.

LISTING FEES

The Annual Listing Fee for the year 2009-10 had been paid to Delhi Stock Exchange where the company's shares are listed.

AUDITORS

M/s Ramkrishna & Company, Chartered Accountants, New Delhi retires at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. A letter has been received from them stating that the re-appointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

DIRECTORS' REPORT

CONSERVATION OF ENERGY/TECHNOLOGY ABSORPTION/RESEARCH AND DEVELOPMENT

1. Disclosure of Particulars with respect to Conservation of Energy

Power and Fuel consumption

Electricity

	Current Year	Previous Year
Unites (Kwh)	769197	1035015
Total Cost (Rs.)	2587072	3126914
Rate / unit (Rs.)	3.36	3.02

Coal (used in boiler)

Quantity (kg.)	831540	1006320
Total Cost (Rs.)	5635498	6326309
Average Rate (Rs.)	6.78	6.29

The company is taking measures to achieve more efficiency in power and fuel consumption. The quality of coal used is being monitored to bring down consumption levels.

2. Technology Absorption

The company could not undertake any technology absorption measures due to constraint of funds.

3. Foreign exchange earnings and outgo: Rs. Nil

PARTICULARS OF EMPLOYEES

There were no employees as per the requirements of Section 217(2A) of the Companies Act, 1956.

PERSONNEL

The company continued to maintain harmonious and cordial relations with its workers. The Directors wish to place on record their appreciation for the services and untiring efforts of the employees at all levels.

ACKNOWLEDGEMENT

The Board takes this opportunity to sincerely thank all its stakeholders namely, shareholders, customers, suppliers/contractors, employees, government agencies, local authorities for their continued trust and support to the company.

for and on behalf of the Board of Directors

Place : New Delhi
Dated : 12th August, 2009

RAHUL BISHNOI
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Product

SHIVALIK RASAYAN LIMITED is one of the leading manufactures of Dimethoate Technical and Malathion Technical in India. Our belief is providing the desired products with the help of the best technology are reflected in our state-of-the-art manufacturing facility.

Dimethoate Technical

Sales of Dimethoate Technical have been dropped from 860.370 MT to 611.500 MT, adversely affected mainly due to meltdown in the world economics and cheaper import from China, however sales value increased from Rs.134.54 lacs in FY 2007-08 to Rs.152.73 lacs in FY 2008-09 due to impact of increase in raw material price, then rise in the price of Dimethoate Technical.

Malathion Technical

Malathion Technical has registered a sale of Rs.472.81 lacs during FY 2008-09 compared to Rs.318.80 lacs in FY 2007-08 despite the market slow down.

Opportunities & challenges

Dimethoate Technical import has been the major threat from China because of low price offering. But Government of India levied a Safeguard Duty of 28 % w.e.f., 23.03.2009 on Dimethoate Technical which will help your company to optimize the production of Dimethoate Technical and shall be in a position to give competition to international players.

Financial Review

During the year 2009-10 your company expects an increase in demand of Dimethoate Technical due to enlarged area of crop cultivation and farmers shifting from traditional crop to cash crops which will increase consumption of pesticides.

During the year under review performance of your company has been adversely affected on account of dramatic increase in the price of major raw materials i.e., Phosphorus Pentasulphide (P2S5) which is basically based on Phosphorus and China being the sole supplier, levied an export duty of 120% on it, resulting costlier imports without affecting the finished goods price being manufactured by units in their own country, resulting costing of our products goes up by 50%.

During the year under review your company has raised its equity by additional 10,00,000 shares at a premium of Rs.30/- per share raising an amount of Rs.400 lacs.

During the year under review, the gross fixed assets of your company have been increased to Rs.470.45 lacs 2008-09 from Rs.461.70 lacs in the year 2007-08.

Company has been regular in meeting its obligations towards payment to regulatory and other statutory payment.

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

Good corporate practices ensure that a Company meets its obligations to optimize shareholders value. Corporate governance has assumed great significance in India in the recent past in the form of amendment in the Companies Act, 1956 and Listing Agreement with Stock Exchanges. Most of the provisions of the Corporate Governance code prescribed by the Companies Act and the Listing Agreement have been complied with and balance will be complied within the prescribed period.

Board of Director

a) Composition of the Board

As on 31st March, 2009 the Board of Directors comprised of Seven Directors out of which four are Non-Executive Directors, One Chairman, One Managing Director and one Executive Director. Out of the Seven Directors Company has Four Independent Directors.

b) Number of Board Meetings

During the year ended 31st March, 2009,

c) Directors' attendance record and Directorship in other public Limited Companies:

Name of the Director	Position	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	Directorship in other public Limited Companies*
Shri Rahul Bishnoi	Chairman	10	10	Yes	No
Shri S. K. Singh	Managing Director	10	9	Yes	No
Shri Ashwani Sharma	Executive Director	10	10	Yes	No
Shri Harish Pande	Independent Director	10	10	Yes	No
Shri Anirudh Bishnoi	Independent Director	10	8	Yes	No
Shri Tejasvi Bishnoi	Independent Director	10	9	Yes	No
Shri Puneet Chandra	Independent Director	10	7	Yes	No

* Excludes Directorship in Private Limited Companies

d) Disclosures

(i) The details of related party transaction with the Company as required by Accounting Standard (AS-18) on Related Party Transactions have been given in note no.13 of the Notes of Accounts. Besides this, Company has no materially significant transaction with the related parties viz. Promoters, Directors or the management or relatives and their subsidiaries, etc. that may have a potential conflict with the interest of the Company at large.

(ii) No Non-executive director is holding any equity shares of the company.

e) Remuneration of Directors, sitting fees etc. for the year 2008-09

Shri S. K. Singh, Managing Director was paid salary and perquisites of Rs.465409.00 respectively. Besides this Managing Director was entitled to Company's contribution to provident fund and gratuity fund.

REPORT ON CORPORATE GOVERNANCE

Shri Ashwani Sharma, Executive Director was paid salary and perquisites of Rs.413420.00 respectively. Besides this, the Executive Director was entitled to Company's contribution of provident fund and gratuity fund.

No commission and Sitting fees paid to non-executive directors for the year ended on 31st March 2009.

During the year, repayments of loan of Rs.27.25 lacs were made to M/s Bishnoi Export Pvt. Ltd., and M/s Growel Capital Services Pvt. Ltd., in which Shri Rahul Bishnoi, Chairman of the Company is Director.

Committees of the Board

a) Audit Committee

(i) Terms of Reference

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Audit Committee reviews report of the internal auditors, meets statutory auditors as and when required and discusses their findings, suggestions, internal control system, scope of audit, observations of auditors and other related matters. It also reviews major accounting policies followed by the company.

(ii) Composition

As on 31st March, 2009, the Committee consists of one Managing Director and two non-executive Directors.

(iii) Attendance record of the Audit Committee

The Committee met four times during the year. The attendance record of the members at the meetings is as follows:-

Name of the member	Status	No. of meetings attended
Shri S.K. Singh	Chairman	4
Shri Harish Pande	Member	4
Shri Anirudh Bishnoi	Member	4

b) Investors' Grievance Committee

(i) Terms of Reference

The Committee has been constituted to look into the redressal of shareholders and investor complaints, non-receipt of Balance Sheet and any other matter relating to shareholders/investors grievance.

(ii) Composition

As on 31st March, 2009, the committee comprises of three non-executive Directors.

(iii) Attendance record of the Investors Grievance Committee

The committee met four times during the year. The attendance record of the members at the meetings is as follows:

Name of the member	Status	No. of meetings attended
Shri Harish Pande	Chairman	4
Shri Anirudh Bishnoi	Member	4
Shri Tejasvi Bishnoi	Member	4