

34th

ANNUAL REPORT

2012

SHIVALIK RASAYAN LIMITED

SHIVALIK RASAYAN LIMITED

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 Rai Qimat & Associates, Chartered Accountants, 24/801, East End Apts. Mayur Vihar, Phase-1 Extn. Delhi - 110091
REGISTERED OFFICE AND FACTORY	:	Village Kolhupani, P.O. Chandanwari, Dehradun - 248 007
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
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

NOTICE

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of Shivalik Rasayan Limited will be held on Saturday the 29th September, 2012 at 3.00 P.M. at the Registered Office of the Company at Village Kolhupani, Dehradun to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as on 31st March 2012, Profit & Loss Account for the period from 1st April 2011 to 31st March 2012 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anirudh 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 Rai Qimat & Associates, 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.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications(s), the following Resolution as an Ordinary Resolution:-
“RESOLVED THAT pursuant to the provisions of Section 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, approval of the members be and is hereby accorded to the re-appointment of Shri Ashwani Sharma, as a Whole-time Director of the Company with effect from 18th July, 2012 for a period of 5 years, i.e., up to 17th July, 2017, as approved by the Board of Directors at its meeting held on 17th July, 2012, on the terms and conditions as detailed in the Explanatory Statement attached hereto.”

By order of the Board
for Shivalik Rasayan Ltd.

Place : New Delhi
Dated : 4th June, 2012

Sd/-
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.

SHIVALIK RASAYAN LIMITED

DIRECTORS' REPORT

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

Item No.4

Board at its meeting held on 17th July, 2012 re-appointed Shri Ashwani Sharma as a whole-time Director of the Company with effect from 18th July, 2012 for a period of 5 years, i.e., up to 17th July, 2017. The terms and conditions of the remuneration payable to Shri Ashwani Sharma during the tenure of his appointment was determined by the Board of Directors vide Board Resolution passed on 17th July, 2012 as detailed below:-

1. Period of Appointment : 18th July, 2012 to 17th July, 2017
 2. **Details of Remuneration:**
 - a) Salary: Rs.36,000/- per month. The annual increments will be decided by the Board and will be merit based and after taking into account the performance of the Company.
 - b) Perquisites and Allowances :
 - i. Housing: House rent allowance as may be decided by the Board from time to time subject to a limit of 60% of salary.
 - ii. Medical reimbursement / allowance: Reimbursement of actual expenses for self and family and/or allowances, subject to a ceiling of half month's salary per year.
 - iii. Leave travel concession/allowance: For self and family once in a year, subject to a ceiling of one month's salary per year.
 - iv. Personal accident insurance: As per the rules of the company.
 - v. Company car and telephone: Expenses in relation to use of Company car and telephone for official purposes.
 - c) Other benefits :
 - i. Earned/privilege leave: As per the rules of the company.
 - ii. Company's contribution to provident fund: As per the rules of the company, to the extent it is not taxable under the Income Tax Act, 1961.
 - iii. Gratuity: Gratuity payable shall be in accordance with the provisions of the Payment of Gratuity Act, 1972.
 - iv. Encashment of leave: Encashment at the end of the tenure, as per the rules of the company.
- The aggregate of the salary, perquisites and allowances, and other benefits taken together shall always be subject to the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956.
3. **Termination:** The agreement may be terminated by either party by giving two months notice, in writing, of such termination. If, at any time, Shri Ashwani Sharma ceases to be director of the Company for any cause whatsoever, the agreement shall forthwith be terminated.
 4. **Duties:** Shri Ashwani Sharma shall perform such duties as may from time to time be entrusted to him, subject to the superintendence and control of the Board of Directors.

This Explanatory note, together with the accompanying Notice, should be treated as an abstract under Section 302 of the Companies Act, 1956.

Except Shri Ashwani Sharma, no other Director is concerned or interested in this Resolution.

The Board of Directors recommend passing of the proposed resolution by the members.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their 34th Annual Report together with an audited statement of account for the year ended on 31st March 2012 and Auditors' Report thereon.

WORKING RESULTS

The Sales of your company have increased by 3.66% and net profit increased by 43.57% during the year when compared to last year's performance.

Financial Data (Rs. in Lac)	Current Year	Previous Year
Sales	2863.97	2762.84
Other Income	23.16	15.17
Profit for the year before Tax	126.51	88.62
Provision for taxation	33.78	19.89
Deferred Tax Assets/(Liability)	(5.38)	(7.57)
NET PROFIT FOR APPROPRIATION	87.35	60.84

DIVIDEND

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

CURRENT OUTLOOK

The profit before tax is Rs.126.51 lacs. The management is hopeful to continue the profitability further.

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;
- 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;
- that the directors have prepared the annual accounts on a going concern basis.

DIRECTORS' REPORT

DIRECTORS

Shri Ashwani Sharma was re-appointed as the whole time Director of the Company effective from 18th July, 2012 for a period of 5 years i.e., up to 17th July, 2017 by the Board in view of his appreciable performance as Director of the company.

Shri Anirudh 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 2011-12 had been paid to Delhi Stock Exchange where the company's shares are listed.

AUDITORS

M/s Rai Qimat & Associates, 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)	1006950	1276887
Total Cost (Rs.)	6774597	5378826
Rate / unit (Rs.)	6.72	4.21

Coal (used in boiler)

Quantity (kg.)	1366055	1244795
Total Cost (Rs.)	14396759	10387600
Average Rate (Rs.)	10.54	8.34

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. 287.73 Lacs

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 : 4th June, 2012

SHIVALIK RASAYAN LIMITED

Sd/-
RAHUL BISHNOI
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Product

SHIVALIK RASAYAN LIMITED continues to be the manufacturer of Dimethoate Technical and Malathion Technical in India. Both the products are old generic products and have limited demand.

Dimethoate Technical

Sales of Dimethoate Technical have been increased from 1144.480 MT to 1170.600 MT. The turnover has gone up from 27.62 Crores to 28.64 Crores. This is because of the increase in the prices of raw material as well as of sales price.

Malathion Technical

Malathion Technical has registered a sale of Rs.119.31 lacs during FY 2011-12.

Opportunities & challenges

The import from China remains major threat for Dimethoate Technical. The usages of Dimethoate Technical is more or less same as compare to last year. The management is considering diversifying the activities of the company in term to include more agro chemicals into its fold. Some new registrations are also being applied to the Central Insecticides Board.

Financial Review

The demand for Dimethoate Technical was good and company could achieve the higher turnover because of its low manufacturing cost in comparison to Chinese product. The management expects to continue the same scenario during the year subject to the normal monsoon.

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, 2012 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

Board of Directors met Eight times, during the year ended 31st March, 2012,

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	8	8	Yes	No
Shri S. K. Singh	Managing Director	8	8	Yes	No
Shri Ashwani Sharma	Executive Director	8	8	Yes	No
Shri Harish Pande	Independent Director	8	8	Yes	No
Shri Anirudh Bishnoi	Independent Director	8	6	Yes	No
Shri Tejasvi Bishnoi	Independent Director	8	7	Yes	No
Shri Puneet Chandra	Independent Director	8	5	No	No

* Excludes Directorship in Private Limited Companies

d) Disclosures

- The details of related party transaction with the Company as required by Accounting Standard (AS-18) on Related Party Transactions have been given in notes to financial statements 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.
- No Non-executive director is holding any equity shares of the company.

e) Remuneration of Directors, sitting fees etc. for the year 2011-12

Shri S. K. Singh, Managing Director and Shri Ashwani Sharma was paid salary and perquisites of Rs.10,57,260. Besides this Managing Director and Director was entitled to Company's contribution to provident fund and gratuity fund.

REPORT ON CORPORATE GOVERNANCE

No commission and Sitting fees paid to non-executive directors for the year ended on 31st March 2012.

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, 2012, the Committee consists of three non-executive and independent Directors, namely Shri Harish Pande, Shri Anirudh Bishnoi and Shri Tejasvi Bishnoi.

(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 Harish Pande	Chairman	4
Shri Anirudh Bishnoi	Member	4
Shri Tejasvi 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, 2012, 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

(iv) Investors' complaints received and resolved during the year

During the year under review, Company has not received any complaint from the investors.