



Shivalik Bimetal Controls Ltd.

(A Govt. of India Recognised Star Export House)

Regd. Off: : 16 - 18, New Electronics Complex, Chambaghat, Distt. Solan - 173213, H.P. (INDIA)
Phone : + 91 - 1792 - 230578 Fax : + 91 - 1792 - 230475, 230578
Email : plant@shivalikbimetals.com Website : www.shivalikbimetals.com
Secretarial / Investor Department : investor@shivalikbimetals.com
CIN : L27101HP1984PLC005862



Cer. Regn. No.
44 111 151737



Cer. Regn. No.
104 16390873
116 16390873



Cer. Regn. No.
QM 04 00394

SBCL/BSE/2019-20/30

17th August, 2019

To,
BSE Ltd.
Corporate Relations Department
1st Floor, Rotunda Bldg., P.J. Towers,
Dalal Street, Mumbai - 400 023

Scrip Code: 513097

Sub: Submission of Notice of 35th Annual General Meeting & Annual Report for the Financial Year 2018-19 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Notice of 35th Annual General Meeting & Annual Report for the Financial Year 2018-19 being dispatched to the shareholders of the Company in the manner prescribed under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Notice of 35th Annual General Meeting & Annual Report for the Financial Year 2018-19 has also been uploaded on the website of the Company at www.shivalikbimetals.com.

Kindly take the same on records & oblige.

Thanking you

Yours truly,
For **Shivalik Bimetal Controls Limited**

Aarti Jassal
Company Secretary

Encl: As above

35th
ANNUAL
REPORT
2018-19



SHIVALIK BIMETAL
CONTROLS LIMITED



CONTENTS IN THIS REPORT

Page No.

<input type="checkbox"/> Company Information	1
<input type="checkbox"/> Notice to the Members	2
<input type="checkbox"/> Directors' Report	18
<input type="checkbox"/> Secretarial Audit Report	29
<input type="checkbox"/> Extract of Annual Return	32
<input type="checkbox"/> Corporate Governance Report	43
<input type="checkbox"/> Management Discussion and Analysis Report	63
<input type="checkbox"/> Report on Corporate Social Responsibility Activities	67
<input type="checkbox"/> Standalone Financial Statements	69
<input type="checkbox"/> Consolidated Financial Statements	117
<input type="checkbox"/> Registration Form	166
<input type="checkbox"/> Proxy Form	167
<input type="checkbox"/> Route Map of AGM	168



COMPANY INFORMATION

Board of Directors

Mr. S.S. Sandhu, Chairman
Mr. N.S. Ghumman, Managing Director
Mr. Rohit Kapur, Independent Director
Mr. G.S. Gill, Director
Mr. N.J.S. Gill, Independent Director
Lt. Gen. Pradeep Khanna (Retd.), Independent Director
Ms. Harpreet Kaur, Woman Director
Capt. Jitender Singh Mann (Retd.), Independent Director (Since deceased)
Ms. Anu Ahluwalia, Additional Woman Independent Director

Chief Financial Officer

Mr. Rajeev Ranjan

Company Secretary

Ms. Aarti Jassal

Registered Office

16-18, New Electronics Complex, Chambaghat,
Distt. Solan, Himachal Pradesh -173213
Phone: +91-1792-230578
Fax: +91-1792-230475
Email: investor@shivalikbimetals.com
Website: www.shivalikbimetals.com
CIN: L27101HP1984PLC005862

Head Office

H-2, Suneja Chambers, 2nd Floor, Alaknanda
Commercial Complex, New Delhi-110019
Phone: +91-11-26027174, 26028175
Fax: +91-11-26026776

Statutory Auditors

M/s. Arora Gupta & Co.
Chartered Accountants
(Firm Registration No. 021313C)
HO: T2 Gole Market, Rudrapur, Udham Singh Nagar,
Uttarakhand 263153

Bankers

Indian Bank
DBS Bank India Ltd.

Registrar & Share Transfer Agent

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
Website: <http://www.masserv.com>



NOTICE TO THE MEMBERS

NOTICE is hereby given that the 35th Annual General Meeting (“AGM”) of the Members of Shivalik Bimetal Controls Limited (“SHIVALIK”) will be held on Wednesday, the 11th day of September, 2019, at 4th Floor Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts), Solan (H.P.)-173212, at 10.30 AM, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the financial year ended 31st March, 2019.
3. 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.

SPECIAL BUSINESS

4. RATIFICATION OF COST AUDITORS’ REMUNERATION FOR THE FINANCIAL YEAR 2019-20

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 148 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Audit and Auditors) Rules, 2014 framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹ 75,000 per annum plus applicable taxes and out of pocket expenses payable to Mr. Ramawatar Sunar, Cost Accountant, (Firm Registration No. 100691), re-appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditor of the Company to conduct Audit of cost records of the Company for the financial year ending 31st March, 2020.”

5. RE-CLASSIFICATION OF PROMOTERS OF THE COMPANY

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 Regulation 31A and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and the applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder (‘the Act’) and subject to the necessary approvals from the Stock Exchange and other appropriate regulatory authorities, as may be necessary, the approval of the members of the Company be and is hereby accorded for re-classification of Mr. Devenderjeet Singh Sandhu, Ms. Gurbir Sandhu and Mr. Jaspal Singh Dhillon, forming part of the existing Promoters of the Company, from “Promoter Category” to “Public Category”.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 31A(3)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the abovementioned promoter(s) and persons related to the promoter(s) seeking re-classification shall not:

- i. together, hold more than ten percent of the total voting rights in the Company;
- ii. exercise direct or indirect control over the affairs of the Company;
- iii. have any special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- iv. be represented on the board of directors of the Company for a period of not less than three years from the date of re-classification;
- v. act as a key managerial person for a period of not less than three years from the date of re-classification;
- vi. be a ‘wilful defaulter’ as per the Reserve Bank of India Guidelines; and
- vii. be a fugitive economic offender.



RESOLVED FURTHER THAT on approval of Stock Exchange or SEBI or any other regulatory authority, upon application for re-classification, the Company shall effect such re-classification in the statement of shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable provision.

RESOLVED FURTHER THAT Mr. Satinderjeet Singh Sandhu, Chairman & Wholetime Director, Mr. Narinder Singh Ghumman, Managing Director and Ms. Aarti Jassal, Company Secretary of the Company be and are hereby severally authorized to file necessary application before the Stock Exchange or SEBI or any other regulatory authority as may be required or wherever necessary and to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution and thereby execute all such documents, instruments, papers and writings etc. on behalf of the Company as may be required from time to time for the aforesaid matter and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.”

6. **APPROVAL OF REVISION IN REMUNERATION OF MR. S. S. SANDHU, AS CHAIRMAN & WHOLE TIME DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a 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 as amended, and the rules framed thereunder (including any statutory modification or re-enactment(s) thereof, for the time being in force) (“the Act”) and Regulation 17(6) (e) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and in accordance with the Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the revision in the managerial remuneration of Mr. S.S. Sandhu (DIN: 00002312), as Chairman & Whole-Time Director of the Company w.e.f. 01st January, 2019 (for a period of three years), on the terms and conditions specified hereunder:

Particulars	Amount (₹ in Lakhs) Per annum
Basic Salary	201.00
House Rent Allowance	96.00
Perquisites as per rule of the Company	3.00
Gross Remuneration	300.00

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors or Company Secretary of the Company be and are hereby severally authorised to sign all such documents, letters, papers as may be required, to file requisite forms with the registrar of companies and to do all such acts, deeds, matters and things as are incidental thereto or as may be deemed necessary or desirable and to settle any question or difficulty that may arise in such manner as it may deem fit.”

7. **APPROVAL OF REVISION IN REMUNERATION OF MR. N. S. GHUMMAN, AS MANAGING DIRECTOR OF THE COMPANY**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a 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 as amended, and the rules framed thereunder (including any statutory modification or re-enactment(s) thereof, for the time being in force) (“the Act”) and Regulation 17(6) (e) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and in accordance with the Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the revision in the managerial remuneration of Mr. N. S. Ghumman (DIN: 00002052), as Managing Director of the Company w.e.f. 01st January, 2019 (for his



remaining tenure but not exceeding three years), on the terms and conditions specified hereunder:

Particulars	Amount (₹ in Lakhs) Per annum
Basic Salary	201.00
House Rent Allowance	96.00
Perquisites as per rule of the Company	3.00
Gross Remuneration	300.00

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors or Company Secretary of the Company be and are hereby severally authorised to sign all such documents, letters, papers as may be required, to file requisite forms with the registrar of companies and to do all such acts, deeds, matters and things as are incidental thereto or as may be deemed necessary or desirable and to settle any question or difficulty that may arise in such manner as it may deem fit.”

8) **TO APPROVE THE APPOINTMENT OF MS. ANU AHLUWALIA AS A WOMAN INDEPENDENT DIRECTOR OF THE COMPANY**

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

“**RESOLVED THAT** Ms. Anu Ahluwalia (DIN: 07254059)), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification or re-enactment thereof for the time being in force) and whose term of office expires at this Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act read with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing her candidature for appointment as a Woman Independent Director, be and is hereby appointed as a Woman Independent Director in accordance with Sections 149, 150, 152 read with Schedule VI and other applicable provisions of the Act and corresponding Rules formed thereunder, to hold office for a term of 5 (five) consecutive years w.e.f. August 12, 2019 and that she shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

For Shivalik Bimetal Controls Limited

Sd/-

Aarti Jassal

Company Secretary

M.No. A25690

Place : New Delhi

Date : 12.08.2019

Registered Office:

16-18, New Electronics Complex, Chambaghat,

Distt. Solan, Himachal Pradesh - 173 213

CIN: L27101HP1984PLC005862

E-mail: investor@shivalikbimetals.com

NOTES:

1. The Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 (“The Act”), setting out material facts concerning the special business under Item No. 4 to 8 of the Notice is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director(s) seeking appointment/re-appointment at this Annual General Meeting (“AGM”) is also annexed.



- 2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) 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.**

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.

- 3. 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. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/ AUTHORITY, AS APPLICABLE.**

4. Corporate Members intending to send their authorized representative to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 05th September, 2019 to Wednesday, 11th September, 2019 (both days inclusive) for the purpose of 35th Annual General Meeting and the Company has fixed Wednesday, 04th September, 2019 as the 'Record Date/Cut-off Date' for determining entitlement of Members to final dividend for the financial year ended 31st March, 2019 (if, declared at the AGM).
6. Members, Proxies and Authorised representatives are requested to bring to the Meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No.
7. 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 except on holiday, during business hours between i.e. 11.00 AM to 01.00 PM upto the date of the Meeting.
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. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar/Company.
10. SEBI vide circular dated 20th April 2018 has mandated the Company to collect copy of PAN and Bank account details from Members holding shares in physical form. Accordingly individual letters are being sent to those shareholders whose PAN and Bank account details are not available with the Company. Such shareholders are requested to provide the information at the earliest to the Company/Registrar and Share Transfer Agent.
11. As per Regulation 40 of ("SEBI Listing Regulations"), as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Share Transfer Agents, MAS Services Limited for assistance in this regard.



12. The notice of the Annual General Meeting along with the Annual Report 2018-19 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may please note that this notice and Annual Report 2018-19 will also be available on the Company's website www.shivalikbimetals.com
13. To support the 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form and with MAS Services Limited in case the shares are held by them in physical form.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to MAS Services Limited in case the shares are held in physical form
15. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent or the Secretarial Department of the Company at its Head Office.
16. 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.
17. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Corporate Secretarial Department at the Head office or the Company's Registrar and Share Transfer Agent (MAS Services Limited) for revalidation and encash them before the due date. The details of such unclaimed dividends are available on the Company's website at www.shivalikbimetals.com. Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF.

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authority by submitting an online application in the prescribed Form IEPF- 5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF rules.

18. Voting through electronic means
 - a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 35th AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - b) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - c) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.



- d) If a person was a Member on the record date but has ceased to be a Member on the cut-off date, he/she shall not be entitled to vote and attend the AGM. Such person should treat this Notice for information purpose only.
- e) The remote e-voting period commences on Sunday, 08th day of September, 2019 (9:00 am) and ends on Tuesday, 10th day of September, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 04th day of September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

- I. **The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:**

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.



- c) How to retrieve your 'initial password'?
 - i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step-2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholder:

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to amitsaxenacs@yahoo.com with a copy marked to evoting@nsdl.co.in.



2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

Other Instructions

1. 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 04th day of September, 2019.
2. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 04th day of September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA, MAS Services Limited.
3. 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.
4. 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.
5. Mr. Amit Saxena, Practicing Company Secretary (Membership No. 29918), Proprietor of M/s Amit Saxena & Associates has been appointed for 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.
6. 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.
7. The Scrutinizer shall after the conclusion of voting at the general meeting, 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 48 hours from 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.
8. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company 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. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

For Shivalik Bimetal Controls Limited

Place : New Delhi
Date : 12.08.2019

Sd/-
Aarti Jassal
Company Secretary
M.No. A25690

Registered Office:
16-18, New Electronics Complex, Chambaghat,
Distt. Solan, Himachal Pradesh - 173 213
CIN: L27101HP1984PLC005862
E-mail: investor@shivalikbimetals.com



EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.4

The Board, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of Mr. Ramawatar Sunar, Cost Accountant, (Firm Registration No. 100691), Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified and confirmed by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2020.

None of the Directors /Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

ITEM NO. 5

The Company has received request letters dated 09th May, 2019 from Mr. Devenderjeet Singh Sandhu, Ms. Gurbir Sandhu and Mr. Jaspal Singh Dhillon, Promoters of the Company for reclassifying their shareholding from the “Promoter and Promoter Group” category to “Public” category.

The aforesaid person(s) are holding very insignificant shareholding, which constitutes only 0.85% of the total paid up equity capital of the Company. Further, the aforesaid person(s) do not exercise any control over the affairs of the Company and are not involved in the management of the Company.

Pursuant to the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the aforesaid person(s) seeking re-classification have confirmed that they shall not:

- i. hold more than ten percent of the total voting rights in the Company;
- ii. exercise control over the affairs of the Company directly or indirectly;
- iii. have special rights with respect to the Company through formal or informal arrangements including through any shareholder agreements;
- iv. be represented on the board of directors (including not having a nominee director) of the Company for a period of not less than three years from the date of re-classification;
- v. act as Key managerial person in the Company for a period of not less than three years from the date of re-classification;
- vi. be a ‘wilful defaulter’ as per the Reserve Bank of India Guidelines; and
- vii. be a fugitive economic offender.

Based on the letter received from the above Person(s) and in view of the provisions of Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and on satisfaction of the conditions above, the members of the Board of Directors at their meeting held on 23rd May, 2019 considered and approved the application for reclassification of above Person(s) from Promoter/Promoter group to Public Category subject to approval of the Members of the Company and the approval of the Stock Exchange.

The Board recommends the Ordinary Resolution of Item No. 5 of the accompanying notice for the approval of the members of the Company.

Save and except, Mr. S.S. Sandhu and Mr. D.J.S. Sandhu and their relatives to the extent of their shareholding interest, if any, in the Company, none of the other Director or key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as per Item No. 5 of the notice.

ITEM NO. 6

The members of the Company at their 33rd Annual General Meeting held on 27th day of September, 2017 had by way of special resolution approved the revisions in managerial remuneration amounting ₹ 200.04 Lakhs of Mr. S. S. Sandhu (DIN. 00002312), as Chairman & Wholetime Director of the Company with effect from 01st January, 2018 (for a period of three years), subject to the approval of the Central Government.



Pursuant to the provisions of the Companies Act, 2013, Company made an application to the Central Government for seeking approval for payment of remuneration mentioned above to Mr. S. S. Sandhu, as Chairman & Wholetime Director of the Company.

Further, the Section 197 of the Companies Act, 2013 has been amended vide the Companies (Amendment) Act, 2017 which has come into force w.e.f 12th September, 2018. Pursuant to the amended Section 197 of the Act, companies have been permitted to pay remuneration to managerial personnel in excess of the limits prescribed under Section 197 read with Schedule V to the Act with the consent of the members of the company given by way of a special resolution and without requiring the approval of the Central Government (as required under Section 197 read with Schedule V to the Act before the Effective Date). Pursuant to the new modified relevant sections of the Act, any application made prior to the commencement of the Companies (Amendment) Act, 2017 to the Central Government shall abate and the Company shall within one year of such commencement obtain the approval of shareholders by way of special resolution for the payment of managerial remuneration. Further, the Central Government vide its letter dated 09th October, 2018 has informed the Company that the application filed by the Company under the provisions of Section 197 of the Act for payment of remuneration to Mr. S. S. Sandhu, which was pending with the Central Government will abate and the application made by the Company has been closed.

Further, the company as on date is not in default in payment of dues to any bank or public financial institution or any other secured creditor.

Keeping in view the provisions of Companies Act, 2013, as amended and his knowledge, experience and long term association with the Company, the Board of Directors of the Company has approved the revision in the managerial remuneration of Mr. S.S. Sandhu as Chairman and Whole Time Director for a period of three years vide its meeting held on 12th day of February, 2019, subject to approval of shareholders through Special Resolution, on terms and conditions as specified in the resolution at Item No. 6 of the Notice.

Save and except, Mr. S.S. Sandhu and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Director or key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as per Item No. 6 of the notice.

ITEM NO. 7

The members of the Company at their 33rd Annual General Meeting held on 27th day of September, 2017 had by way of special resolution approved the revisions in managerial remuneration amounting ₹ 200.04 Lakhs of Mr. N. S. Ghumman (DIN: 00002052), as Managing Director of the Company with effect from 01st January, 2018 (*for a period of three years*), subject to the approval of the Central Government.

Pursuant to the provisions of the Companies Act, 2013, Company made an application to the Central Government for seeking approval for payment of remuneration mentioned above to Mr. N. S. Ghumman, as Managing Director of the Company.

Further, the Section 197 of the Companies Act, 2013 has been amended vide the Companies (Amendment) Act, 2017 which has come into force w.e.f 12th September, 2018 Pursuant to the amended Section 197 of the Act, companies have been permitted to pay remuneration to managerial personnel in excess of the limits prescribed under Section 197 read with Schedule V to the Act with the consent of the members of the company given by way of a special resolution and without requiring the approval of the Central Government (as required under Section 197 read with Schedule V to the Act before the Effective Date). Pursuant to the new modified relevant sections of the Act, any application made prior to the commencement of the Companies (Amendment) Act, 2017 to the Central Government shall abate and the Company shall within one year of such commencement obtain the approval of shareholders by way of special resolution for the payment of managerial remuneration. Further, the Central Government vide its letter dated 09th October, 2018 has informed the Company that the application filed by the Company under the provisions of Section 197 of the Act for payment of remuneration to Mr. N. S. Ghumman, which was pending with the Central Government will abate and the application made by the Company has been closed.

Further, the company as on date is not in default in payment of dues to any bank or public financial institution or any other secured creditor.



Keeping in view the provisions of Companies Act, 2013, as amended and his knowledge, experience and long term association with the Company, the Board of Directors of the Company has approved the revision in the managerial remuneration of Mr. N. S. Ghumman as Managing Director for a period of three years vide its meeting held on 12th day of February, 2019, subject to approval of shareholders through Special Resolution, on terms and conditions as specified in the resolution at Item No. 7 of the Notice.

Save and except, Mr. N. S. Ghumman and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Director or key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution as per Item No. 7 of the notice.

ITEM NO. 8

The Board of Directors at its meeting held on August 12, 2019 appointed Ms. Anu Ahluwalia (DIN: 07254059) as an additional Woman Independent director effective August 12, 2019 in terms of Section 161 of the Act.

In terms of Section 161 of the Act, the term of office of additional director shall expire on the date of ensuing Annual General Meeting. The Company has received notice under Section 160 of the Act from members proposing the candidature of Ms. Anu Ahluwalia for the office of Director, to be appointed as a Woman Independent Director under the provisions of Section 149 of the Companies Act, 2013.

The Company has received the following documents from Ms. Anu Ahluwalia (i) consent in writing to act as Director in Form DIR -2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) Notice of Interest in Companies in Form MBP – 1 pursuant to Section 184 (1) read with Rule 9 (1) of the Companies (Meetings of Board and its Powers) Rules, 2014 and (iv) a declaration to the effect that she meets the criteria of independence as provided in subsection (6) of Section 149 of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The resolution seeks the approval of Members for the appointment of Ms. Anu Ahluwalia as Woman Independent Director of the Company for period of 5 (five) years commencing from August 12, 2019, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Ms. Anu Ahluwalia Woman Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and she is independent of the Management.

A copy of the draft letter for the appointment of Ms. Anu Ahluwalia as a Woman Independent Director setting out the terms and conditions is available for inspection by the Members at the Registered Office of the Company during the business hours on any working day up to the date of this Annual General Meeting of the Company and will also be made available at the venue of the 35th AGM.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

For Shivalik Bimetal Controls Limited

**Place : New Delhi
Date : 12.08.2019**

**Sd/-
Aarti Jassal
Company Secretary
M.No. A25690**

Registered Office:
16-18, New Electronics Complex, Chambaghat,
Distt. Solan, Himachal Pradesh - 173 213
CIN: L27101HP1984PLC005862
E-mail: investor@shivalikbimetals.com



STATEMENT PURSUANT TO THE PROVISIONS OF PART II SECTION II (B) (IV) OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RESPECT TO ITEM NO. 6-7 OF THE NOTICE

I. GENERAL INFORMATION:

1. Nature of Industry: "Shivalik" is engaged in the business of manufacturing & sales of Thermostatic Bimetal / Trimetal strips, components, Spring Rolled Stainless Steels, EB welded products with multigauge, Cold Bonded Bimetal Strips and Parts etc."The Company" is specialized in joining of materials through various methods such as Diffusion Bonding/Cladding, Electron Beam welding, Solder Reflow and Resistance Welding etc., and offers precision manufactured components specific to the application requirements and a single vendor to many prestigious OEM's since 1986 and have successfully met the most stringent of demands set by multiple large global organizations. The application of "Shivalik"s Products are mainly in Switchgears, Circuit Breakers and various other Electrical and Electronic devices. The Company's products are exported to over 40 Countries around the world.
2. Date of commencement of commercial production: Since 15th October 1986.
3. In case of new companies: Not Applicable
4. Financial performance based on given indicators:

(₹ in Lakhs)

Year ended 31 st March	FY 2018-19	FY2017-18	FY2016-17	FY2015-16	FY2014-15
Key Figures					
Revenue	19,877.81	16,201.64	12,085.07	9,961.94	9,570.78
EBITDA	4,092.55	2,978.70	1,992.69	1,408.62	1,479.92
Profit Before Tax	3,249.96	2,185.99	1,385.43	649.95	843.03
PAT	2,305.14	1,599.04	911.00	411.44	494.19
Balance Sheet Summary					
Shareholder Fund	10,554.12	8,526.76	7,348.82	6,499.08	6,087.64
Non-current Liabilities	1,259.11	1,232.43	745.13	700.67	1,097.66
Current Liabilities	5,793.95	5,086.20	4,699.95	5,460.59	5,526.59
Total	17,607.18	14,845.39	12,793.90	12,660.34	12,711.89
Non-Current Assets	6,418.01	6,200.21	6,087.27	6,236.41	6,437.41
Current Assets	11,189.17	8,645.18	6,706.63	6,423.93	6,274.48
Total	17,607.18	14,845.39	12,793.90	12,660.34	12,711.89

- a) Foreign Investments or collaborations, if any: The Company has two Joint Ventures with large entities engaged in the similar activities, overseas. One is Checon Shivalik Contact Solutions Private Limited and another is Innovative Clad Solutions Private Limited.

II. INFORMATION ABOUT THE APPOINTEE(S):

A) Mr. S.S. Sandhu

- (1) Background details: As stated in the explanatory statement of Item No. 6 of the Notice.
- (2) Past remuneration: During his present tenure as the Chairman & Whole Time Director of the Company, the remuneration paid to Mr. S.S. Sandhu amount of ₹ 240.68 Lakhs for the Financial Year 2018-2019.
- (3) Recognition or Awards: Under the leadership of Mr. S.S. Sandhu, Chairman & Whole time Director of the Company has won many prestigious awards and has been recognized for its contribution to the society.
 - SHIVALIK awarded by Emerging India-Award 2008 in the category of Auto, Ancillaries & Engineering, organized by CNBC TV-18 AND ICICI Bank.



- Registered with DUN & BRADSTREET
 - Awarded best Vendor in the category of Competitiveness by Schneider in 2011.
 - Preferred Supplier for Siemens, Schneider & Legrand and other leading electrical companies.
 - Awarded best Supplier in the Chennai Plant Supplier meet by Schneider Electric in March, 2019.
 - Recognition towards significant contribution made by SHIVALIK in Electrical Standard Product during the FY 2018-19 by L&T Electrical & Automation.
 - Awarded by SIEMENS in September, 2018 as Long Term Business Relationship.
 - Awarded Supplier Quality Award -2019 (Gold) by L&T Electrical & Automation.
- (4) Job profile and his suitability: The Shareholders and Board of Directors have bestowed Mr. S.S. Sandhu, Chairman and Whole Time Director with substantial powers of the management subject to supervision and control of professional Board of Directors. Under his superior effort and pragmatic leadership, the Company has progressed steadily since his appointment. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes to increase the remuneration of Mr. S.S. Sandhu, Chairman for a further period of 3 Years, as per the details stated in the explanatory statement of Item No. 6 of the Notice.
- (5) Remuneration proposed: As stated in Item No. 6 of the Notice.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): The proposed remuneration is comparable and competitive, considering the industry, size of the company, the managerial position and the credentials of the Chairperson.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any: Mr. S.S. Sandhu is Promoter Director of the Company, holding 576000 Equity Shares of the face value of ₹ 2 Each representing 1.50 % of the total paid up capital of the Company. In addition to this Ms. Sarita Sandhu, wife of Mr. S.S. Sandhu, holds 432000 Equity Shares, Mr. Angad Sandhu, son of Mr. S.S. Sandhu, holds 304000 equity shares, Mr. D.J.S Sandhu, brother of Mr. S.S. Sandhu holds 76,000 equity shares of the face value of ₹ 2 Each representing 1.12.% , 0.79% and 0.20% respectively of the total paid up capital of the Company. The Company discloses the related party transactions annually in the books of accounts of the Company. The Audit Committee discusses and approves such transactions every quarter. The Board of Directors duly approves the related party transactions and in the opinion of Board of Directors of the Company, none of the transactions is prejudicial to the interest of the Company.
- B) Mr. N.S. Ghumman
- (1) Background details: As stated in the explanatory statement of Item No. 7 of the Notice.
- (2) Past remuneration: During his present tenure as Managing Director of the Company, the remuneration paid to Mr. N.S. Ghumman amount of ₹ 240.93 Lakhs for the Financial Year 2018-2019.
- (3) Recognition or Awards: Under the leadership of Mr. N.S. Ghumman, Managing Director of the Company has won many prestigious awards and has been recognized for its contribution to the society.
- SHIVALIK awarded by Emerging India-Award 2008 in the category of Auto, Ancillaries & Engineering, organized by CNBC TV-18 AND ICICI Bank.
 - Registered with DUN & BRADSTREET
 - Awarded best Vendor in the category of Competitiveness by Schneider in 2011.
 - Preferred Supplier for Siemens, Schneider & Legrand and other leading electrical companies.
 - Awarded best Supplier in the Chennai Plant Supplier meet by Schneider Electric in March, 2019.



- Recognition towards significant contribution made by SHIVALIK in Electrical Standard Product during the FY 2018-19 by L&T Electrical & Automation.
 - Awarded by SIEMENS in September, 2018 as Long Term Business Relationship.
 - Awarded Supplier Quality Award - 2019 (Gold) by L&T Electrical & Automation.
- (4) Job profile and his suitability: The Shareholders and Board of Directors have bestowed Mr. N.S. Ghumman with substantial powers of the management subject to supervision and control of professional Board of Directors. Under his superior effort and pragmatic leadership, the Company has progressed steadily since his appointment. In view of his enriched experience, appreciable contribution and enlarged leadership, the Board proposes to increase the remuneration of Mr. N.S. Ghumman, Managing Director for his remaining tenure but not exceeding three years as per the details stated in the explanatory statement of Item No. 7 of the Notice.
- (5) Remuneration proposed: As stated in Item No. 7 of the Notice.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): The proposed remuneration is comparable and competitive, considering the industry, size of the company, the managerial position and the credentials of the Managing Director.
- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any: Mr. N.S. Ghumman is Promoter Director of the Company, holding 2994000 Equity Shares of the face value of ₹ 2 Each representing 7.80% of the total paid up capital of the Company. In addition to this Ms. Tejinderjeet Kaur Ghumman, wife of Mr. N.S. Ghumman holds 616000 Equity Shares and Mr. Sumer Ghumman, son of Mr. N.S. Ghumman, holds 2000 equity shares of the face value of ₹ 2 each representing 1.60% and 0.01% respectively of the total paid up capital of the Company.

Apart from the above, Mr. Kabir Ghumman son of Mr. N.S. Ghumman has withdrawn his remuneration for the FY 18-19 of ₹ 49.98 Lakhs. The Company discloses the related party transactions annually in the books of accounts of the Company. The Audit Committee discusses and approves such transactions every quarter. The Board of Directors duly approves the related party transactions and in the opinion of Board of Directors of the Company, none of the transactions is prejudicial to the interest of the Company.

III. OTHER INFORMATION:

- (1) In compliance with Schedule V of the Companies Act, 2013, the current profitability at present is inadequate for the proposed remuneration as it may exceed the limits as prescribed in Schedule V of the Companies Act, 2013. There is no loss in the Company. Further, the Company has performed well in the financial year 2018-19. The Company recorded an overall growth of 22.5% in operating revenue in FY 2018-19 from ₹ 15,786.39 Lakhs to ₹ 19,339.15 Lakhs. The Profit before Tax and Profit after Tax for the year under review amounted to ₹ 3,249.96 Lakhs and ₹ 2,305.14 Lakhs respectively as compared to ₹ 2,185.99 Lakhs and ₹ 1,599.04 Lakhs, in the previous financial year.
- (2) The Company is consistently working on measures to improve the profitability:
- Focus on high quality performance delivery and good relationship with existing customers to generate rapid new order flows.
 - Widening of customer base for growth of business both from private and public sector.
 - Conscious efforts for the development of customer base in the respective business segments.
 - Company has not only focused on securing new orders but also efficiently executed existing orders to the satisfaction of various customers
 - Use of the Equipment's of latest technology for enhancing quality and reducing time
 - Focus on significant improvements in operating costs.
 - Cost control in all areas.
- (3) Based on the actual performance of the Company in terms of productivity/profits it is seen that there is significant increase in productivity /profits in measurable term and the Company expects to improve the same further.



Annexure-1

Details of the Directors seeking re-appointment/ appointment in the 35th Annual General Meeting pursuant to Regulation 26(4) read with 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars	Mr. Gurmeet Singh Gill	Ms. Anu Ahluwalia
DIN No.	00007393	07254059
Date of Birth	19/09/1950	01/02/1962
Age	68 years	57 years
Date of appointment/ Reappointment	20/09/2016	11/09/2019
Date of first appointment on Board	28/09/1998	12/08/2019
Terms and Conditions of Appointment	His office as director shall be liable to retire by rotation.	She is appointed as Woman Independent Director not liable to retire by rotation, for a term of five years w.e.f 12 th August, 2019.
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil	Nil
Remuneration sought to be paid	Nil	Nil
Remuneration Last Drawn	Nil	Nil
Qualification & Experience in specific functional area	Mr. Gurmeet Singh Gill is qualified MBA having vast business experience in various Commercial Areas. He is on the Board of the Company since the year 1998 as Non-executive Director of the Company. Since he has been in business for the last 39 years and accordingly well aware of intricacies of carrying on business, as such he provides useful guidance to the Company on critical issues.	Ms. Anu Ahluwalia is qualified MA (Economics) from Rajasthan university and B. Ed from Annamalai University. She is an educationist with over 30 years of experience. She is a social worker, working in the local area for the immediate betterment of the people and infrastructure, through awareness and direct engagement with local populace. She has been a member of Army Women Welfare Association at various levels from 1984 to 2008. She has also got the appreciation certificate for excellent performance of her students in Board examination results conducted by CBSE from Union Education Minister twice in recent years. One of her Economics student in 2019 has represented India in International Economics Olympiad held at St Petersburg, Russia.
Directorships held in other companies*	Nil	Nil



Memberships/ Chairmanships of Committee in other public limited companies (includes only Audit & Shareholders' / Investors' Grievance Committee)	Nil	Nil
No of shares held in Company	Nil	Nil

*Excluded Section 8 Companies & Private Limited Companies.



DIRECTORS' REPORT



To the Members,

Your Directors have pleasure in presenting the 35th Annual Report of Shivalik Bimetal Controls Limited ('the Company') for the financial year ('Year') ended 31st March, 2019.

FINANCIAL HIGHLIGHTS (STANDALONE)

(₹ in Lakhs)

PARTICULARS	FY 2018-19	FY 2017-18
Revenue from Operations	19,339.15	15,786.39
Other Income	538.66	415.25
Total Revenue	19,877.81	16,201.64
Operating Expenditure	15,785.26	13,222.94
Profit/(Loss) before Interest, Depreciation, Tax & Exceptional Items	4,092.55	2,978.70
Finance Cost	357.73	331.13
Depreciation	484.86	461.58
Profit/ (Loss) before Taxes & Exceptional items	3,249.96	2,185.99
Exceptional items (Income)/Expenses	-	-
Profit/ (Loss) before Tax	3,249.96	2,185.99
Tax Expense	942.07	587.30
Profit/ (Loss) after Tax	2,307.89	1,598.69
Other comprehensive income	(2.75)	0.35
Total Comprehensive Income for the Period	2,305.14	1,599.04

PER SHARE DATA

Particulars	FY 2018-19	FY 2017-18
Basic EPS	6.00	4.16
Book Value per share	27.48	22.20

Except, as disclosed elsewhere in the Report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the Financial Year and the date of this Report.

COMPANY'S PERFORMANCE

Standalone performance

The Company recorded encouraging performance for the year. The Company recorded an overall growth of 22.50% in operating revenue in FY 2018-19 from ₹ 15,786.39 Lakhs to ₹ 19,339.15 Lakhs.

The Profit before Tax and Profit after Tax for the year under review amounted to ₹ 3,249.96 Lakhs and ₹ 2,305.14 Lakhs respectively as compared to ₹ 2,185.99 Lakhs and ₹ 1,599.04 Lakhs, in the previous financial year.

The members are advised to refer the separate section on the Management Discussion and Analysis in this Report for detailed understanding of the operating results and business performance.

EXPANSION

The company has upgraded its quality and process control systems as per the latest IATF16949 standards and received the necessary re-certifications from the IATF16949 Auditors (TÜV).



The setup of the AEC (Automotive Electronics Council) compliant test facility as was reported in the previous issue of this document, had incremental upgrades in terms of software and equipment installations where deemed necessary to comply with the up-to-date test requirements and to increase the overall capability and capacity of simultaneous research and testing.

The existing stamping facility is now in its upgradation phase II wherein the remaining mechanical presses are being replaced with new high speed and high accuracy presses. This will provide a significant increase in accuracy, safety and capacity.

Various manual finishing and inspection processes are being automated. Progress will be done in phase-wise manner as per the planned schedule.

As informed by your Directors in the previous year's report that your Company had succeeded in getting 2,324 sq.mt. of land on lease from the Department of Industries adjacent to the existing manufacturing facility. The construction plans got delayed due to various approvals & finalization of drawings/design based on technical requirement of some of the processes. All approvals including drawings/ designs are in place and the construction on this land will commence during October 2019 and is expected to be completed by end of December, 2020.

UNIT-IV

As reported by your Directors in the previous year Annual Report with regard to setting up manufacturing facilities for capacity and capability enhancements, your Directors are happy to inform you that construction of factory building is going on and is expected to be completed as per schedule.

CONSOLIDATED

The Annual Report includes the Audited Consolidated Financial Statements, prepared in compliance with the Companies Act, 2013 and the applicable Accounting Standards, its Joint Venture and Associate Companies. The Consolidated Financial Statements shall be laid before the ensuing 35th Annual General Meeting of the Company along with the laying of the Standalone Financial Statements of the Company.

Additional details regarding performance of the Associate Company & Joint Venture Companies have been mentioned in the succeeding paragraphs.

PERFORMANCE OF THE ASSOCIATE /JOINT VENTURE COMPANIES

Your Company has one Associate Company and two Joint Venture Companies as on 31st March, 2019. The members may refer to the financial statements forming part of the Annual Report as required under the provisions of Section 129(3) of the Companies Act, 2013. The key highlights of these Associate/Joint Venture companies are as under:

a) **Associate Company**

Shivalik Bimetal Engineers Private Limited

This Company recorded a turnover of ₹ 179.85 Lakhs for the year ended 31st March, 2019 (Previous year of ₹ 133.18 Lakhs) and also recorded a profit of ₹ 47.45 Lakhs for the year ended 31st March, 2019 (Previous year of ₹ 25.28 Lakhs).

b) **Joint Venture Companies**

i) **Innovative Clad Solutions Private Limited**

In view of the turn around of the Company in terms of turnover as well as profitability & potential growth prospect of the JV Company. Your Directors considered it appropriate and commercially expedient to invest desired sum of ₹ 96,60,030 towards equity for prospective capacity enhancement.

This Company recorded a turnover of ₹ 9037.98 Lakhs for the year ended 31st March, 2019 (Previous year of ₹ 5968.17 Lakhs) and also recorded a profit of ₹ 354.21 Lakhs for the year ended 31st March, 2019 (Previous year profit of ₹ 28.52 Lakhs).



ii) Checon Shivalik Contact Solutions Private Limited

This Company recorded a turnover of ₹ 2677.47 Lakhs for the year ended 31st March, 2019 (Previous year of ₹ 2232.84 Lakhs) and also recorded a profit of ₹ 236.13 Lakhs for the year ended 31st March, 2019 (Previous year of ₹ 119.86 Lakhs).

These financial statements have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013.

A statement containing salient features of the financial statements of the Associate/Joint Venture Companies in Form AOC-1 (Part-B) is given in '**Annexure-A**' to this Report.

Further, in accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing the Standalone and the Consolidated financial statements have been placed on the website of the Company i.e. www.shivalikbimetals.com.

DIVIDEND

Based on the Company's performance, the Directors have recommended a final dividend of ₹ 0.30 (i.e., @15% of the nominal value of the share) per Equity Share of the face value of ₹ 2/- each for the year ended 31st March, 2019 (Last year: 15%). The final dividend on equity shares, if approved by the members, would entail a cash outflow of ₹ 138.89 Lakhs (including corporate dividend tax). This is in addition to the interim dividend of ₹ 0.30 (i.e., @15% of the nominal value of the share) per equity share of ₹ 2/- each (last year: 15%) in its Board Meeting held on 12th February, 2019 and which was paid on 06th March, 2019 amounting to ₹ 138.89 Lakhs (including corporate dividend tax).

The total dividend per equity share for year ended 31st March, 2019 is ₹ 0.60 (i.e., @ 30% of the nominal value of the share) and total dividend payout is ₹ 277.78 Lakhs (including corporate dividend tax).

The Register of Members and Share Transfer Books will remain closed from 05th September, 2019 to 11th September, 2019 (both days inclusive).

TRANSFER TO RESERVE

The Company proposes to retain the entire amount of profits in the Statement of Profit and Loss.

PUBLIC DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from public/shareholders under Section 73 and 74 of the Companies Act, 2013.

BONUS SHARES

During the year under review, the Company has not made any Bonus Issue.

BANKER

In addition to the credit facilities enjoyed by the Company from Indian Bank, the Company has started availing credit facilities from DBS Bank India Ltd. during the year to meet its working capital requirements at competitive financing cost.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Capt. J.S. Mann (Retd.), Independent Director of the Company passed away on 31st May, 2019. The Board places on record its appreciation for his invaluable contribution and guidance.

Ms. Anu Ahluwalia (DIN: 07254059) was appointed as an Additional Director holding the position of Woman Independent Director on the Board of Directors of the Company with effect from August 12, 2019.

Ms. Anu Ahluwalia (DIN: 07254059) was appointed as an Additional Director and therefore, her term of office expires on the date of ensuing Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from members proposing the candidature of Ms. Anu Ahluwalia (DIN: 07254059) for being appointed as Woman Independent director of the Company. The Board of Directors recommend to the shareholders for her appointment as



Director of the Company. A resolution seeking shareholders' approval for her appointment forms part of the Notice.

In accordance with the Provisions of the Companies Act, 2013, Mr. G.S. Gill (DIN: 00007393) Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment and a resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of the independence as prescribed both under section 149(6) of the Companies Act, 2013 along with the Rules framed thereunder and under Regulation 16 (1)(b) read with Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. A structured questionnaire was prepared after circulating the drafts forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution, effectiveness of board processes and meetings and performance of specific duties, obligations, governance and information and functioning etc.

The performance evaluation of the Independent Directors and fulfillment of their independence criteria as specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and their independence from the management was done by the entire Board excluding the Directors being evaluated. The performance evaluation of the Chairman, Board as a whole and the Non-Independent Directors was carried out by the Board excluding the Directors being evaluated. The Board of Directors expressed their satisfaction with the evaluation process.

NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

During the year under review, Six (6) Board Meetings and Six (6) Audit Committee Meetings were convened and held, the details of aforesaid meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in the notes to Financial Statements.

AUDITORS

Statutory Auditors

M/s. Arora Gupta & Co., Chartered Accountants (Firm Registration No. 021313C) has been appointed as Statutory Auditors of the Company in the 33rd Annual General Meeting for a period of 5 years subject to ratification by the members at every annual general meeting. Pursuant to the amendment to Section 139 of the Act effective from 7th May, 2018, ratification by members every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of forthcoming 35th Annual General Meeting does not include the proposal for seeking member's approval for ratification of Statutory Auditors' appointment.

Auditors Report

There are no qualifications, reservations, or adverse remarks or disclaimers made by the M/s. Arora Gupta & Co., Statutory Auditors, in their report. Observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments under Section 134(1) of the Companies Act, 2013.



Cost Auditors

The Company is required to maintain the cost records as specified by the Central Government under section 148(1) of the Act and accordingly such accounts and records are made and maintained. As per the requirement of Central Government and pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company has been carrying out audit of cost records.

The Board of Directors on the recommendation of Audit Committee has re-appointed Mr. Ramawatar Sunar, Cost Accountants, (Firm Registration No. 100691) as Cost Auditor to audit the cost records of the Company for the financial year 2019-20. As required under the Act, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the forthcoming 35th Annual General Meeting.

Secretarial Auditor and Secretarial Standards

The Board has appointed M/s R Miglani & Co., Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2018-19 as required under Section 204 of the Act and the rules made thereunder. The Secretarial Audit Report for the financial year 2018-19 is annexed herewith as '**Annexure-B**' to the Board's Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

During the Year, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Reporting of frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be reported in the Board's Report.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The company has in place Internal Financial Control system, commensurate with size and complexity of its operations to ensure proper recording of financial or operational information, compliance of various internal controls, other regulatory and statutory compliances. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

Internal Auditors' comprising of external professional Chartered Accountants firm monitor & evaluate the efficacy of Internal Financial Control system in the company, its compliance with operating system, accounting procedures & policies at all the locations of the company. Based on their report of Internal Audit function, corrective actions in the respective area are undertaken & controls are strengthened. Significant audit observations & corrective action suggested are presented to the Audit Committee.

EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an '**Annexure - C**' to this Annual Report and also available on the website of the Company at <http://www.shivalikbimetals.com/about-us.php?pageId=7>.

CORPORATE GOVERNANCE REPORT INCLUDING MANAGEMENT AND DISCUSSION ANALYSIS REPORT

As per the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, a detailed Corporate Governance Report together with the Practicing Company Secretary Certificate on the compliance of conditions of Corporate Governance and Management Discussion & Analysis Report forms part of the Annual Report and annexed as '**Annexure - D & E**' to this Report.

The Corporate Governance Report forming part of this Report also covers the following:

- Particulars of the Board Meetings held during the Financial Year 2018-19.
- Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including,



inter alia, the criteria for the performance evaluation of Directors.

- c) The details with respect to composition of Committees and establishment of Vigil Mechanism (including Whistle Blower Mechanism/Policy).

PARTICULARS OF CONTRACTS /ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arms' length basis.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at: <http://www.shivalikbimetals.com/images/pdf/related-party-transaction-policy.pdf>.

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large. Therefore, disclosure in Form AOC-2 is not required. Members may refer to Note No. 43 to the standalone financial statements which sets out related party disclosures pursuant to Ind AS.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of Act, your Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee are provided in the Corporate Governance Report.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link <http://www.shivalikbimetals.com/images/pdf/sbcl-csr-policy.pdf>. The Company has identified three focus areas of engagement which are as under:

- Promotion of education, art, culture and sports.
- Preventive health care and Sanitation
- Rural Development

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act. During the Year, the Company has spent amount of ₹ 28.11 Lakhs on CSR activities. The financial data pertaining to the Company's CSR activities for the financial year 2018-19 is annexed in the prescribed format in 'Annexure-F' to the Board's Report. The Company is undertaking the CSR activities directly as well as through its trust 'ABS Foundation'.

CREDIT RATINGS

The Company has obtained credit ratings from CRISIL as at the end of the financial year 2018-19 as given below:

Bank Facilities	Amount (₹ in Crore)	Rating Assigned
Long Term Bank Facilities (Cash Credit)	41.00	CRISIL A-/Stable (Reaffirmed)
Long Term Bank Facilities (Long Term Loan)	5.00	CRISIL A-/Stable (Reaffirmed)
Short Term Bank Facilities (Letter of Credit & Bank Guarantee)	25.00	CRISIL A2+ (Reaffirmed)
Total Bank Loan Facilities Rated	71.00 (Rupees Seventy One Crore Only)	



DETAILS OF NUMBER OF CASES FILED, IF ANY, AND THEIR DISPOSAL IN TERMS OF SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has implemented a policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace. The company has duly constituted an Internal Complaints Committee pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company is committed to create a safe and healthy working environment. The Company believes that all individuals have the right to be treated with dignity and strives to create a workplace, which is free of gender bias and Sexual Harassment. The Company has a zero tolerance approach to any form of Sexual Harassment. The policy has been displayed on the Company's website at <http://www.shivalikbimetals.com/images/pdf/shivalik-prevention-of-sexual-harassment-policy.pdf>.

There were no complaints received during the Financial Year 2018-19.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act, 2013, based on the information and representations received from the operating management, your Board of Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied 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 of the Company for the year ended on 31st March, 2019;
- c) they 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) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

In accordance with Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, your Company has already formulated the Nomination and Remuneration & Board Diversity Policy. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters has been outlined in the Corporate Governance Report, which forms part of this Report.

PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report and given hereunder. In terms of Section 136(1) of the Companies Act, 2013, the same is open for inspection at the Registered Office of your Company. Copies of this statement may be obtained by the members in writing to the Company Secretary of your Company.

Further, the Company has no person in its employment drawing salary of ₹ 1.02 Crores per annum or ₹ 8.50 Lakhs per month (Excluding whole-time Directors- details of whom are given hereunder) as defined under the provisions of Section



197 of the Companies Act, 2013, read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Name of Employee	Designation/ Nature of Duties	Remuneration (₹ in Lakhs)	Qualification	Age (years)	Experience (No. of years)	Date of Commencement of employment	Particulars of previous employment
1	2	3	4	5	6	7	8	9
1.	Mr. S.S. Sandhu	Chairman & Wholetime Director	240.68	B.A. (Pass)	65	47	01/09/1992	N.A.
2.	Mr. N.S. Ghumman	Managing Director	240.93	B.E. (Hons.)	68	46	18/06/1984	M/s Tradex Gestion SA General of Switzerland

Notes:

- Remuneration shown above includes Salary, HRA, Medical Allowance, Company's contribution towards Provident Fund and Monetary value of perquisites calculated as per rules prescribed under Income Tax Law.

Other Disclosure

- the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19:

Mr. S.S.Sandhu	Chairman & Wholetime Director	Median 1:94
Mr. N.S.Ghumman	Managing Director	Median 1:94

- the percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year 2018-19:

Mr. S.S. Sandhu	Chairman	32.62%
Mr. N.S. Ghumman	Managing Director	32.72%
Mr. Rajeev Ranjan	CFO	26.73%
Ms. Aarti Jassal	Company Secretary	13.70%

- the percentage increase in the median remuneration of employees in the financial year 2018-19: Median : 9.86 %.

- the number of permanent employees on the rolls of Company - 312.

- average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Average increase in the remuneration of all the employees excluding KMP's: 11.56 %.

Justification: Increase in salary of KMP's is decided based on the Company's performance, individual performance, inflation, prevailing Industry trends and benchmarks.

- Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company hereby affirms that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo are given as under:



(A) Conservation of energy-

- i) Some of the steps taken for conservation of energy are;
 - For reducing paper consumption internal communications / data sharing made compulsory within the organization through emails. Using back side of printed papers. Active development of ERP (Enterprise Resource Planning) is in its final stages of full launch (company-wide). This will also lead to reduction in paper work and duplication of documentation.
 - All main shop floor lighting has been changed to LED.
 - Installation of roofing insulation has been done in key areas to reduce load on air conditioning systems.
- ii) The steps taken by the Company for utilizing alternate sources of energy;
 - Plans to install solar lights surrounding the factory building.
 - Switching off of Monitors during Lunch Break.
- iii) The capital investment on energy conservation equipment; Nil

(B) Technology Absorption

- i) the efforts made towards technology absorption;
 - Acquisition of latest technology for plating thickness measurement.
 - Automation of surface cleaning & OSP process as per latest VDA standards.
 - Testing and simulation technology up gradation with inclusion of latest industry test standards.
 - Acquisition of automated inspection equipment for automotive applications.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
 - Reduction in internal rejections and external customer complaints.
 - Improvement of production efficiency.
 - Development of new products.
 - Development and validation of new processes and process enhancements.
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - N.A.
 - The details of technology imported - N.A.
 - The year of import - N.A.
 - Whether the technology been fully absorbed- N.A.
 - If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; - N.A
- iv) The expenditure incurred on Research and Development.

• Capital Expenditure	: NIL
• Recurring Expenditure	: ₹ 76.13 Lakhs
• Total	: ₹ 76.13 Lakhs
• Total R & D expenditure as a percentage of total turnovers	: 0.39 %



(C) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

i) Earnings in FC	₹ 10,073.76 Lakhs
ii) Expenditure in FC	₹ 10,554.05 Lakhs
iii) Expenditure in FC (Capex)	₹ 210.28 Lakhs

SIGNIFICANT/ MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

GENERAL SHAREHOLDER INFORMATION

General Shareholder Information is given in the Report on Corporate Governance forming part of the Annual Report.

ACKNOWLEDGEMENTS/ APPRECIATION

Your Directors would like to sincerely express their appreciation for co-operation received from the Company's Bankers, during the year under review, from time to time.

Your directors place on record their deep sense of appreciation for the commitment and dedication of all the Company's executives, staff and workers.

Your Directors also thank all the Govt. authorities, business associates, customers, vendors and the shareholders and all stakeholders for their continuous support and co-operation to the Company during the year.

By order of the Board

For **Shivalik Bimetal Controls Limited**

Sd/-

S.S. Sandhu

Chairman

DIN: 00002312

302, Kings I, Royal Retreat, Charmwood Village, Suraj
Kund, Faridabad, Haryana, 121 009, India

Place : New Delhi

Date : 12.08.2019

Registered Office:

16-18, New Electronics Complex, Chambaghat,

Distt. Solan, Himachal Pradesh - 173 213

CIN: L27101HP1984PLC005862

E-mail: investor@shivalikbimetals.com



ANNEXURE "A"

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Joint Ventures/ Associates	Joint Ventures		Associate
		Checon Shivalik Contact Solutions Private Limited	Innovative Clad Solutions Private Limited	Shivalik Bimetal Engineers Private Limited
1.	Latest audited Balance Sheet Date	31st March, 2019	31st March, 2019	31st March, 2019
2.	Date on which the Associate or Joint Venture was associated or acquired	01/12/2005	04/03/2008	27/02/2008
3.	Shares of Associate/Joint Ventures held by the company on the year end			
	No.	17,10,900	1,60,86,003	2,22,750
	Amount of Investment in Associates/Joint Venture (₹ In Lakhs)	221.45	780.02	22.28
	Extend of Holding (%)	50%	16.01%	45%
4.	Description of how there is significant influence	2(6)	2(6)	2(6)
5.	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	(₹ In Lakhs)		
		969.03	2808.47	183.41
7.	Profit/Loss for the year	237.76	355.77	47.44
	Considered in Consolidation	118.88	56.95	21.35
	Not Considered in Consolidation	118.88	298.82	26.09

For and on behalf of the Board

Sd/-
Rajeev Ranjan
CFO

Sd/-
Aarti Jassal
Company Secretary
M. No.A25690

Sd/-
N S Ghumman
Managing Director
DIN: 00002052

Sd/-
S S Sandhu
Whole time Director
DIN: 00002312

Place : New Delhi
Date : 12.08.2019



ANNEXURE “B”

Form No. MR-3 Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

To,

The Members,

SHIVALIK BIMETAL CONTROLS LIMITED
16-18, New Electronics Complex, Chambaghat,
Distt. Solan, Himachal Pradesh-173213

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHIVALIK BIMETAL CONTROLS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2019 and made available to me, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder, as applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowing.
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period);
- VI. As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to the industry generally, namely;



- (a) Factories Act, 1948
- (b) Payment of Wages Act, 1936, and rules made thereunder,
- (c) The Minimum Wages Act, 1948, and rules made thereunder,
- (d) Employees' State Insurance Act, 1948, and rules made thereunder,
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- (f) The Payment of Bonus Act, 1965, and rules made thereunder,
- (g) Payment of Gratuity Act, 1972, and rules made thereunder,
- (h) The Water (Prevention and Control Pollution) Act, 1974.
- (i) The Air (Prevention and Control Pollution) Act, 1981,
- (j) Industrial Dispute Act, 1947,

I have also examined compliance with the applicable clauses of the following:

- a. The Secretarial Standards issued by the Institute of Company Secretaries of India.
- b. The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 already entered into by the Company with BSE Limited.

I further report that, during the period under audit and review, as confirmed by the management the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary /Chief Financial Officer taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like Labour laws and Environmental laws etc.

I further report that;

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent within prescribed limit, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has not made any major changes in the following events/actions in pursuance of the below law, rules, regulations and guidelines.

- i. Public/Right/Preferential issue of shares/debentures/sweat equity etc.
- ii. Redemption/Buy Back of securities
- iii. Major decision taken by the members in pursuance to Section 180 of the Companies Act, 2013
- iv. Merger/Amalgamation/Reconstruction etc.
- v. Foreign Technical Collaborations.

For **R MIGLANI & CO.**
Company Secretaries

Place : New Delhi
Date : 12.08.2019

Sd/
CS Rajni Miglani
Proprietor (ACS: 30016)
C.O.P No: 11273



Annexure- 1 of Form No. MR-3

To,

The Members,

SHIVALIK BIMETAL CONTROLS LIMITED
16-18, New Electronics Complex, Chambaghat,
Distt. Solan, Himachal Pradesh-173213

Report is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The Verification was done on test basis to ensure that correct facts are reflected in secretarial records.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and any other financial law applicable to the Company.
4. Whenever required, I have obtained the Management representation about the compliance of Laws, rules and regulation and happening of events etc.
5. The Compliance of the provision of Corporate and other applicable laws, rules, regulation, Standards is the responsibility of Management. My Examination was limited to the Verification of Procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R MIGLANI & CO.**
Company Secretaries

Place : New Delhi
Date : 12.08.2019

Sd/
CS Rajni Miglani
Proprietor
ACS: 30016
C.O.P No: 11273



ANNEXURE “ C ”

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1	CIN	L27101HP1984PLC005862
2	Registration Date	18/06/1984
3	Name of the Company	SHIVALIK BIMETAL CONTROLS LIMITED
4	Category/Sub-category of the Company	Public Company
5	Address of the Registered office & contact details	16-18, New Electronics Complex, Chambaghat, Distt. Solan, Himachal Pradesh - 173213 Phone : +91-1792-230578 Fax : +91-1792-230475 E-mail : shivalik@shivalikbimetals.com , Website: www.shivalikbimetals.com
6	Whether listed company	Yes (BSE Limited)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Thermostatic Bi-metal/Tri-metal Strips & Parts	24204	57.66 %
2	Shunt (Resisters)	24201	42.07 %
3	Job work	24209	0.27 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	Name and Address of the company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	CHECON SHIVALIK CONTACT SOLUTIONS PRIVATE LIMITED H-2, Suneja Chambers, Alaknanda Commercial Complex, New Delhi-110019	U31909DL2005PTC143154	Joint Venture	50.00	2(6)
2	SHIVALIK BIMETAL ENGINEERS PRIVATE LIMITED H-2, Suneja Chambers, Alaknanda Commercial Complex, New Delhi-110019	U29220DL2008PTC174607	Associate	45.00	2(6)
3	INNOVATIVE CLAD SOLUTIONS PRIVATE LIMITED H-2, Suneja Chambers, Alaknanda Commercial Complex, New Delhi-110019	U27310DL2008PTC173950	Joint Venture	16.01	2(6)



IV. (a) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-04-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	5706000	0	5706000	14.86	5528000	0	5528000	14.39	-0.47
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	17810268	0	17810268	46.38	17810268	0	17810268	46.38	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1):-	23516268	0	23516268	61.24	23338268	0	23338268	60.77	-0.47
(2) Foreign									
g) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
h) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
j) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
k) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A)	23516268	0	23516268	61.24	23338268	0	23338268	60.77	-0.47
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	2000	0	2000	0.01	2000	0	2000	0.01	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
Alternative Investment Fund	22291	0	22291	0.06	22291	0	22291	0.06	0.00
Foreign Portfolio Investors	4215	0	4215	0.01	0	0	0	0	-0.01
Sub-total (B)(1):-	28506	0	28506	0.07	24291	0	24291	0.06	-0.01
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	579712		579712	1.51	516883	3000	519883	1.35	-0.16
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00



Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April, 2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	9342055	1238551	10580606	27.55	9443778	905100	10348878	26.95	-0.60
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2827226	0	2827226	7.36	2930878	0	2930878	7.63	0.27
c) Others (specify)									
Non Resident Indians	449686	1000	450686	1.17	826495	1000	827495	2.15	0.98
Overseas Corporate Bodies	0	0	0	0.00	1332	0	1332	0.01	0.01
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	88755	0	88755	0.23	45799	0	45799	0.12	-0.11
Trusts	2000	0	2000	0.01	5000	0	5000	0.01	0.00
Unclaimed or Suspense or Escrow Account	137000	-	137000	0.36	124000	0	124000	0.32	-0.04
IEPF	192041	-	192041	0.50	236976	0	236976	0.62	0.12
Sub-total (B)(2):-	13618475	1239551	14858026	38.69	14131141	909100	15040241	39.16	0.47
Total Public Shareholding (B)=(B)(1) + (B)(2)	13646981	1239551	14886532	38.76	14155432	909100	15064532	39.23	0.46
(C) Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	37163249	1239551	38402800	100.00	37493700	909100	38402800	100.00	0.00

(b) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	S. S. SANDHU	576000	1.50	0	576000	1.50	0	0.00
2	D. J. S. SANDHU	101000	0.26	0	101000	0.26	0	0.00
3	N. S. GHUMMAN	2994000	7.80	0	2994000	7.80	0	0.00
4	MANJIT KAUR	176000	0.46	0	176000	0.46	0	0.00
5	TEJINDERJEET KAUR GHUMMAN	592000	1.54	0	616000	1.60	0	0.06
6	SARITA SANDHU	432000	1.12	0	432000	1.12	0	0.00



SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
7	GURBIR SANDHU	501000	1.30	0	323000	0.84	0	-0.47
8	ANGAD SANDHU	304000	0.79	0	304000	0.79	0	0.00
9	JASPAL SINGH DHILLON	4000	0.01	0	4000	0.01	0	0.00
10	SUMER GHUMMAN	2000	0.01	0	2000	0.01	0	0.00
11	SHANA GHUMMAN	24000	0.06	0	0	0	0	-0.06
12	O D FINANCE AND INVESTMENT PVT. LTD.	5046978	13.14	0	5046978	13.14	0	0.00
13	ULTRA PORTFOLIO MANAGEMENT PVT. LTD.	1888180	4.92	0	1888180	4.92	0	0.000
14	TSL HOLDINGS LIMITED	5580400	14.53	0	5580400	14.53	0	0.00
15	B.S.SANDHU AND ASSOCIATES PVT. LTD.	570400	1.49	0	570400	1.49	0	0.00
16	ANGAD ESTATES PVT. LTD.	3310000	8.62	0	3310000	8.62	0	0.00
17	AMAR ENGINEERING COMPANY PVT. LTD.	1414310	3.68	0	1414310	3.68	0	0.00
	Total	23516268	61.24	0	23338268	60.77	0	-0.47

(c) Change in Promoters' Shareholding:

SN	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	TEJINDERJEET KAUR GHUMMAN*	592000	1.54	616000	1.60
2	SHANA GHUMMAN*	24000	0.06	-	-
3	GURBIR SANDHU#	501000	1.30	323000	0.84

*Ms. Shana Ghumman has transferred its shares in the name of her mother Ms. Tejinder Kaur Ghumman by way of gift. (Inter se transfer of equity shares through off market transaction by way of gift.)

#Ms. Gurbir Sandhu sell its shares in the open market during the financial year 2018-19.



(d) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
1	MAHENDRA CHANDULAL DHARU	31-MARCH-2018	515856	1.343			515856	1.343
		28-DEC-2018				10000	525856	1.369
		22-FEB-2019			1160		524696	1.366
		08-MARCH-2019			2772		521924	1.359
		15-MARCH-2019			510		521414	1.358
		29-MARCH-2019			6670		514744	1.340
		30-MARCH-2019					514744	1.340
2	PREMILABEN MAHENDRAKUMAR DHARU	31-MARCH-2018	393377	1.024			393377	1.024
		06-APRIL-2018				3056	396433	1.032
		13-APRIL-2018			3339		393094	1.023
		27-APRIL-2018				225	393319	1.024
		04-MAY-2018			225		393094	1.023
		25-MAY-2018				15	393109	1.023
		01-JUNE-2018			15		393094	1.023
		08-JUNE-2018				2039	395133	1.028
		15-JUNE-2018				506	395639	1.030
		22-JUNE-2018			506		395133	1.028
		29-JUNE-2018				225	395358	1.029
		06-JULY-2018			225		395133	1.028
		20-JULY-2018				48	395181	1.029
		27-JULY-2018			48		395133	1.028
		10-AUG-2018				2266	397399	1.034
		17-AUG-2018			1564		395835	1.030
		24-AUG-2018			342		395493	1.029
		31-AUG-2018			360		395133	1.028
		07-SEP-2018				90	395223	1.029
		14-SEP-2018			90		395133	1.028
19-OCT-2018				1411	396544	1.032		
26-OCT-2018			1158		395386	1.029		
02-NOV-2018			253		395133	1.028		
23-NOV-2018				10	395143	1.028		
30-NOV-2018				10	395133	1.028		



S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
		28-DEC-2018				33594	428727	1.116
		04-JAN-2019				935	429662	1.118
		11-JAN-2019			2948		426714	1.111
		18-JAN-2019			700		426014	1.109
		25-JAN-2019			3700		422314	1.099
		15-FEB-2019			386		421928	1.098
		15-MARCH-2019			381		421547	1.097
		29-MARCH-2019				625	422172	1.099
		30-MARCH-2019					422172	1.099
3	JAGRUTI YOGESH BHOJAK	31-MAR-2018	140915	0.366			140915	0.366
		20-APR-2018			108		140807	0.366
		25-MAY-2018				1450	142257	0.370
		01-JUNE-2018				700	142957	0.372
		15-JUN-2018			30		142927	0.372
		22-JUNE-2018				150	143077	0.372
		29-JUNE-2018				1259	144336	0.375
		06-JULY-2018				670	145006	0.377
		27-JULY-2018				1000	146006	0.380
		03-AUG-2018				620	146626	0.381
		10-AUG-2018				410	147036	0.382
		24-AUG-2018				6800	153836	0.400
		31-AUG-2018				240	154076	0.401
		20-SEP-2018			401		153675	0.400
		21-SEP-2018				600	154275	0.401
		28-SEP-2018			50		154225	0.401
		12-OCT-2018				1500	155725	0.405
		19-OCT-2018				160	155885	0.406
		02-11-2018				1000	156885	0.408
		09-11-2018				500	157385	0.409
		30-MAR-2019					157385	0.409
4	KESHAV GARG	31-MAR-2018	208000	0.541			208000	0.542
		30-MAR-2019					208000	0.542
5	NAVIN BOTHRA AND SONS HUF	31-MAR-2018	150000	0.391			150000	0.391



S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year		
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	
		13-APR-2018				2000	152000	0.396	
		20-APRIL-2018			2000		150000	0.391	
		03-AUG-2018			31000		119000	0.310	
		07-SEP-2018			19000		100000	0.260	
		28-SEP-2018			34500		65500	0.170	
		30-MAR-2019					65500	0.170	
6	BHAVANA GOVINDBHAI DESAI	31-MARCH-2018	487000	1.268			487000	1.268	
		15-MARCH-2019			1000		486000	1.265	
		30-MAR-2019					486000	1.265	
7	JATIN DANI	31-MAR-2018	178773	0.465			178773	0.465	
		01-JUNE-2018				163	178936	0.466	
		08-JUNE-2018				10801	189737	0.492	
		15-JUNE-2018				400	190137	0.495	
		06-JULY-2018				10	190147	0.495	
		24-AUG-2018				35064	225211	0.586	
		16-NOV-2018			21004		204207	0.532	
		14-DEC-2018			14634		189573	0.494	
		31-DEC-2018			4819		184754	0.481	
		04-JAN-2019			20166		164588	0.428	
		11-JAN-2019			3881		160707	0.418	
		08-FEB-2019					42108	202815	0.528
		15-02-2019				389		202426	0.527
		30-MAR-2019						202426	0.527
8	LINCOLN P COELHO	31-MAR-2018	400000	1.041			400000	1.041	
		30-MAR-2019					400000	1.041	
9	PRATYUSH MITTAL	31-MAR-2018	72033	0.187			72033	0.187	
		06-APRIL-2018				943	72976	0.190	
		13-APRIL-2018				1319	74295	0.193	
		20-APRIL-2018				1049	75344	0.196	
		27-APRIL-2018				651	75995	0.198	
		11-MAY-2018				1250	77245	0.201	
		18-MAY-2018				2707	79952	0.208	
		25-MAY-2018				635	80587	0.209	
		01-JUNE-2018			319		80268	0.209	
		15-JUNE-2018					2241	82509	0.215



S. No.	Name of Shareholder	Date	Shareholding at the beginning of the year		Sold	Buy	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
		22-JUNE-2018				11081	93590	0.244
		06-JULY-2018				2560	96150	0.250
		13-JULY-2018				571	96721	0.252
		20-JULY-2018				10872	107593	0.280
		27-JULY-2018				13662	121255	0.316
		03-AUG-2018				23590	144845	0.377
		10-AUG-2018				720	145565	0.379
		17-AUG-2018				818	146383	0.381
		24-AUG-2018				10885	157268	0.409
		31-AUG-2018				10839	168107	0.435
		07-SEP-2018				1297	169404	0.441
		14-SEP-2018			255		169149	0.440
		20-SEP-2018			3255		165894	0.432
		21-SEP-2018				2509	168403	0.438
		28-SEP-2018				344	168747	0.439
		05-OCT-2018				511	169258	0.441
		12-OCT-2018				80	169338	0.441
		19-OCT-2018				221	169559	0.441
		02-NOV-2018			9		169550	0.441
		09-NOV-2018				244	169794	0.442
		07-DEC-2018				914	170708	0.444
		30-MAR-2019					170708	0.444
10	SANDEEP KAPADIA	31-MAR-2018	100000	0.260			100000	0.206
		05-OCT-2018				10000	110000	0.286
		09-NOV-2018				10000	120000	0.312
		30-NOV-2018				5000	125000	0.325
		21-DEC-2018				5000	130000	0.338
		11-JAN-2019				49549	179549	0.467
		18-JAN-2019				18376	197925	0.515
		25-JAN-2019				2075	200000	0.521
		15-FEB-2019				20000	220000	0.573
		15-MARCH-2019				10000	230000	0.599
		29-MARCH-2019				20000	250000	0.651
		30-MAR-2019					250000	0.651



(e) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. S. S. Sandhu				
	At the beginning of the year	576000	1.50	576000	1.50
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	576000	1.50	576000	1.50
2.	Mr. N. S. Ghuman				
	At the beginning of the year	2994000	7.80	2994000	7.80
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	2994000	7.80	2994000	7.80

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2670.92	919.10	-	3589.72
ii) Interest due but not paid	2.08	-	-	2.08
iii) Interest accrued but not due	5.73	4.35	-	10.08
Total (i+ii+iii)	2678.43	923.45	-	3601.88
Change in Indebtedness during the financial year				
* Addition	1075.46	1043.81	-	2119.26
* Reduction	(241.01)	(993.46)	-	(1234.46)
Net Change	834.45	50.35	-	884.80
Indebtedness at the end of the financial year				
i) Principal Amount	3507.28	970.00	-	4477.28
ii) Interest due but not paid	5.02	-	-	5.02
iii) Interest accrued but not due	0.58	3.81	-	4.39
Total (i+ii+iii)	3512.88	973.80	-	4486.68

*Addition and reduction includes an amount of ₹ 9.40 Lakhs and ₹ 12.17 Lakhs respectively towards interest accrued.



VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Amount
		Mr. S.S. Sandhu	Mr. N.S. Ghumman	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	222.03	222.03	444.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	18.65	18.90	37.55
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	240.68	240.93	481.61
	Ceiling as per the Act			

B. Remuneration to other directors (Amount in ₹)

SN.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Rohit Kapur	Mr. G. S. Gill	Mr. N. J. S. Gill	Lt.Gen. Pradeep Khanna (Retd.)	Capt. J. S. Mann (Retd.)*	Ms. Harpreet Kaur	
1	Independent Directors							
	Fee for attending board committee meetings	9,500	-	15,000	15,000	13,000	-	80,500
	Commission							
	Others, please specify							
	Total (1)	9,500	-	15,000	15,000	13,000	-	80,500
2	Other Non- Executive Directors	-	-	-	-	-	-	-
	Fee for attending board committee meetings	-	15,000	-	-	-	13,000	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	9,500	15,000	15,000	15,000	13,000	13,000	80,500
	Total Managerial Remuneration	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits	Within Statutory Limits
	Overall Ceiling as per the Act							

*Capt. J.S. Mann (Retd.), Independent Director of the Company passed away on May 31, 2019.



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	9,84,452	20,25,532	30,09,984
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	43,871	1,20,931	1,64,802
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Stock Option	NA	Nil	Nil	Nil
3	Sweat Equity	NA	Nil	Nil	Nil
4	Commission	NA	Nil	Nil	Nil
	- as % of profit	NA	Nil	Nil	Nil
	others, specify...	NA	Nil	Nil	Nil
5	Others, please specify-Contribution to G. Trust	NA	15,192	66,264	81,456
	Total		10,43,515	22,12,727	32,56,242

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Not Applicable

By order of the Board
For Shivalik Bimetal Controls Limited

Place : New Delhi
Date : 12.08.2019

Sd/-
S.S. Sandhu
Chairman
DIN: 00002312

302, Kings I, Royal Retreat, Charmwood Village,
Suraj Kund, Faridabad, Haryana-121009, India

Registered Office:
16-18, New Electronics Complex, Chambaghat,
Distt. Solan, Himachal Pradesh-173213
CIN: L27101HP1984PLC005862
e-mail: investor@shivalikbimetals.com



ANNEXURE “D”

CORPORATE GOVERNANCE REPORT

The Directors present the Company’s Report on Corporate Governance for the year ended 31st March, 2019

1. Company Philosophy on Code of Corporate Governance

Your Company firmly believes that good Corporate Governance practices are ingredients for the balanced development of an organization and that they not only maximize the shareholder’s value but also contribute to the sustained and long lasting development of the organization. The Board of Directors believes in ethical values and high moral standards for achieving the highest standards of Corporate Governance.

Corporate Governance involves commitment to conduct the business in a fair, transparent and ethical manner, aimed at promoting sustainable business and enhancing shareholders’ value in the long term. SHIVALIK is committed to achieve and maintain the highest standards of Corporate Governance. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across all business practices. We believe that Corporate Governance is a continuous journey for sustainable value creation for all the stakeholders driven by our values of Integrity, Commitment, Passion, Seamlessness and Speed.

The Securities & Exchange Board of India (SEBI) has notified Corporate Governance provisions and as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“LODR Regulations, 2015”) the Company has been complying with these provisions effectively. Your Company acknowledges and believes that all its actions must serve the main goal of enhancing overall shareholder value on a sustained basis.

2. Board of Directors

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-executive Directors. The Board comprises of 8 (Eight) Directors out of which 2 (Two) are Executive Directors and 6 (Six) are Non-Executive Directors including 1 (one) Woman Director as on 31st March, 2019. The composition of the Board is in conformity with Regulation 17 of the LODR Regulations, 2015.

- a) The names and categories of the Directors on the Board along with their attendance at the Board meetings held during the year ended 31st March, 2019 and at the last Annual General Meeting, and the number of other Directorship and Chairmanship /Membership of Committees held by them in both listed and unlisted companies is given below:

Name and Designation	Category (i.e. Promoter, Executive, Non-Executive, Independent Non- Executive, Nominee Director)	No. of Board Meetings attended (Out of 6 meetings held)	*Number of other Boards in which he / she is a Director or Chairperson	**Number of other Board Committee(s) in which he / she is a Member or Chairperson		Attendance at the last AGM (held on 27 th September, 2018)
				Committee Membership	Committee Chairperson	
Mr. S. S. Sandhu (Chairman)	Executive Director	6	1	-	-	Yes
Mr. N.S. Ghumman (Managing Director)	Executive Director	6	-	-	-	Yes
Mr. Gurmeet Singh Gill (Director)	Non-Executive and Non Independent	6	-	-	-	Yes
Ms. Harpreet Kaur (Director)	Non-Executive and Non Independent	5	-	-	-	No



Mr. Nirmaljeet Singh Gill (Director)	Non-Executive and Independent	6	-	-	-	Yes
Mr. Rohit Kapur (Director)	Non-Executive and Independent	4	-	-	-	No
Lt. Gen. Pradeep Khanna (Retd.) (Director)	Non-Executive and Independent	6	-	-	-	Yes
Capt. Jitender Singh Mann (Retd.) (Director)#	Non-Executive and Independent	5	-	-	-	No

* This includes Directorship in public limited companies (including subsidiaries of public limited companies) and excludes Directorship in associations, private, foreign and Section 8 companies.

** Represents Chairmanship/Membership of Audit Committee and Stakeholder Relationship (Shareholders'/Investors' Grievance) Committee. This includes Chairmanship/Membership in public limited companies (including subsidiaries of public limited companies) and excludes Chairmanship/Membership in private, foreign and Section 8 companies.

#Capt. J.S. Mann (Retd.), Independent Director of the Company passed away on May 31, 2019.

Notes:

- (i) None of the Independent Directors are holding Directorships in more than seven listed companies.
- (ii) None of the Functional Directors are acting as Independent Director in any listed company.
- (iii) The company has not issued any convertible instruments.

b) Number of Board Meetings

The Board meets at regular intervals to review the performance of the Company. During the year under review, besides meeting of Committee of Directors, Six (6) Board Meetings were held on 28th May, 2018, 09th August, 2018, 23rd August, 2018, 27th September, 2018, 05th November, 2018 and 12th February, 2019. The maximum gap between any two Board meetings was less than 120 days.

c) Board Procedure

The meetings of the Board of Directors are generally held at the Company's Head office in New Delhi. The meetings are generally scheduled well in advance. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the quarterly performance and the financial results. The time gap between two meetings was not more than 120 days. The agenda for the meetings is prepared by the concerned officials, and approved by Chairman. The Board papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarification as and when required.

In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. The members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.

d) Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on 11th February, 2019 without the attendance of Non Independent Directors and members of the Management as required under Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;



- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties

All Independent Directors attended the meeting.

e) **Familiarization Programme**

The Company through its Managing Director/Executive Directors/Senior Management Personnel makes presentations regularly to the Board, Audit Committee or such other Committees, as may be required, covering, inter alia, business environmental, business strategies, operations review, quarterly and annual results, review of Internal Audit Report and Action Taken, statutory compliance, risk management, etc.

In Compliance of Regulation 46(2)(i) of LODR Regulations 2015, Familiarization Programme as Organized by the Company in terms of Regulation 25(7) of LODR Regulations 2015 (earlier Clause 49(II)(B)(7)(a) of the Listing Agreement) is appearing on the website of the Company (in investor relations section under corporate governance section) at the web link <http://www.shivalikbimetals.com/images/pdf/familiarisation-programme-for-independent-directors.pdf>.

f) **Performance Evaluation**

A formal evaluation mechanism is in place for evaluating the performance of the Board, the Committees thereof, individual Directors and the Chairman of the Board. The evaluation was done based on the criteria which includes, among others, providing strategic perspective, Chairmanship of Board and Committees, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees. The Directors expressed their satisfaction with the evaluation process.

g) **Code of Conduct**

The Board of Directors has adopted and laid down the Code of Conduct for all Directors and Senior Management Personnel. The Code is posted and available at the website of the Company <http://www.shivalikbimetals.com/about-us.php?pageId=8>. The members of the Board and Senior Management Personnel have affirmed the compliance with the Code applicable to them during the year ended on 31st March, 2019. The Annual Report of the Company contains a declaration by the Chairman and Whole Time Director in terms of para D of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 based on the compliance declarations received from the Board and Senior Management.

h) **Core skills / expertise / competencies of Directors**

The Company believes that it is the collective effectiveness of the Board that impacts Company performance and therefore members of the Board amongst themselves should have a balance of skills, experience and diversity of perspectives appropriate to the Company. Given the Company's size, scale and diversified nature of its businesses, the skills, expertise and competencies of the Directors as identified by the Board, are provided below:

1. Organizational: Ability to comprehend the socio-economic, political, regulatory and competitive environment, both domestic and global, in which the Company is operating and insight to identify opportunities and threats for the Company's businesses.
2. Leadership: Extended leadership experience for a significant enterprise, practical understanding of organizational system and processes, strategic planning and risk management. Demonstrated strength in developing talent, planning succession, and driving change and long-term growth.
3. Global Business: Experience in driving business success in markets around the world with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks, and understanding of emerging local and global trends.
4. Finance and Accounting Expertise: Management of finance function of an enterprise, capital allocation and understanding of accounting and financial statements



5. Technology: A significant background in technology, knowledge of how to anticipate technological trends, extend or create a new business model.
6. Board Service and Governance: Develop insights about maintaining board and management accountability, protecting shareholders interest and observing appropriate governance practices.
7. Risk Management and Compliance: Ability to appreciate key risks impacting the Company's businesses and contribute towards development of systems and controls for risk mitigation & compliance management and review and refine the same periodically.

i) Compliance Reports

To the best of the knowledge and belief, the Company is complying with all applicable laws as on date. The Board has reviewed Compliance Report of all Laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances.

j) Code of Conduct for Prevention of Insider Trading

In Compliance with SEBI (Prevention of Insider Trading) Amendment Regulations, 2018, the Company has updated its Code of Conduct and code of practices and procedures for fair disclosure of unpublished price sensitive information vide its Board meeting held on 12th February, 2019. Further the same has been uploaded on its Website in Compliance with the Amendment Regulations. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at <http://www.shivalikbimetals.com/about-us.php?pageId=32>.

k) Materially Significant Related Party Transactions

There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.

l) Details of establishment of Vigil Mechanism, Whistle Blower Policy, and affirmation that no personnel has been denied access to the Audit Committee.

The Company believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. The Company has adopted a Vigil Mechanism policy in order to provide a secure environment and to encourage employees of the Company to report unethical, unlawful or improper practice, acts or activities. The reportable matter may be disclosed to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The policy has been also put up on the website of the Company at <http://www.shivalikbimetals.com/images/pdf/wistle-blower-policy-sbcl.pdf>.

m) Policy for Preservation of Documents

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy is available on our website at <http://www.shivalikbimetals.com/images/pdf/policy-on-preservation-of-documents-and-archival.PDF>

n) Disclosure Policy

In line with requirements under regulation 30 of the SEBI Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the listing Regulations, which is available on our website at <http://www.shivalikbimetals.com/images/pdf/policy-on-criteria-for-determining-materiality-of-events.PDF>.

The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an ongoing basis.

o) Role of Company Secretary in overall governance process

The Company Secretary plays a key role in ensuring that the Board and Committees procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents



are made available to the Directors and Senior Management for effective decision making at the Meetings. The Company Secretary is primarily responsible for assisting and advising the Board in conducting the affairs of the Company, to ensure the compliances with applicable statutory requirements, to provide guidance to Directors and to facilitate convening of Meetings. The Company Secretary interfaces between the Management and regulatory authority for governance matters.

3. Committees of the Board of Directors

The Board of Directors has constituted following Committees of Directors with adequate delegation of powers to discharge urgent business of the Company:

- i. Audit Committee
- ii. Stakeholders Relationship & Share Transfer Committee
- iii. Nomination & Remuneration Committee
- iv. Corporate Social Responsibility Committee

The detailed terms of reference, composition and other details of the Committees are as under:

i. AUDIT COMMITTEE

Composition and attendance of the members of the Audit Committee

As on 31st March, 2019, the Audit Committee comprised of Mr. Rohit Kapur, Chairman (Non-Executive & Independent Director), Lt. Gen. Pradeep Khanna (Retd.), Mr. Nirmaljeet Singh Gill and Mr. S.S. Sandhu, as members.

Two-third of the members of the Audit Committee are Independent Directors and all the members of the Audit Committee have accounting or financial Management expertise. The Company Secretary of the Company acts as the Secretary of the Committee.

The Audit Committee meets at least 4 (four) times in a year and not more than 120 days gap between two meetings. Accordingly, the Audit Committee during the FY 2018-19, met 6 (Six) times on 28th May, 2018, 09th August, 2018, 22nd August, 2018, 27th September, 2018, 03rd November, 2018 and 11th February, 2019.

The composition and attendance record of the members of the Audit Committee for the FY 2018-19 is as follows:

S. No.	Name of Members	Designation	No. of Meeting held during the Year	No. of Meeting attended during the year
1	Mr. Rohit Kapur	Chairman	6	5
2	Mr. S. S. Sandhu	Member	6	6
3	Mr. Nirmaljeet Singh Gill	Member	6	6
4	Lt. Gen. Pradeep Khanna (Retd.)	Member	6	6

Terms of Reference

Terms of Reference and role of the Audit Committee includes the matters specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Broad terms of reference includes: oversights of financial reporting process, review financial results and related information, approval of related party transactions, review internal financial controls and risk management, evaluate performance of statutory and internal auditors, audit process, relevant compliances, appointment and payments to statutory auditors etc.

The Committee has extensive powers and has access to all requisite information of the Company. The role of the Audit Committee in details includes:



- Review of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management the financial statements before submission to the Board for approval.
- Reviewing with management, statutory and internal auditors, the adequacy of internal control systems and internal audit function.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external/ statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Reviewing the functioning of Whistle Blower mechanism in the Company.
- Considering such other matters the Board may specify.

ii. **STAKEHOLDERS RELATIONSHIP AND SHARE TRANSFER COMMITTEE**

The 'Stakeholders Relationship and Share Transfer Committee' (Stakeholder Committee) was constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Stakeholder Committee is primarily responsible to review all matters connected with the Company's transfer of Securities and redressal of shareholders'/ investors' /security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading. The Stakeholder Committee composition and the terms of reference meet with the requirements of Listing Regulations and provisions of the Companies Act, 2013.

As on 31st March, 2019, the Stakeholder Relationship Committee comprised of Mr. Rohit Kapur, Chairman (an Non-Executive & Independent Director), Ms. Harpreet Kaur, Mr. S.S. Sandhu and Mr. N.S. Ghumman as members. The quorum of the Committee is two members. The Company Secretary is the Secretary of the 'Stakeholder Committee'.

Terms of Reference of the Committee to the extent applicable, inter - alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities;
- Approve the issue of the Company's duplicate share certificates;
- Monitor redressal of investors' /shareholders'/security holders' grievances;
- Oversee the performance of the Company's Registrar and Share Transfer Agents;
- Recommend methods to upgrade the standard of services to investors;
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading;
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification /amendment or modification as may be applicable.



During the FY 2018-19, 1 (One) Stakeholder Committee meeting has been held on 11th February, 2019, Attendance at Stakeholders Relationship Committee:

S. No.	Name of the Member	Designation	No. of Meetings Held	No. of Meetings Attended
1.	Mr. Rohit Kapur	Chairman	1	1
2.	Mr. S. S. Sandhu	Mamber	1	1
3.	Mr. N. S. Ghumman	Member	1	1
4.	Ms. Harpreet Kaur	Member	1	1

MAS Services Limited, New Delhi, is the Registrar & Share Transfer Agent of the Company. Ms. Aarti Jassal, Company Secretary is the Compliance Officer of the Company.

Details of queries /complaints received from Shareholders/Investors during the year 2018-19. The details of shareholders grievance are as follows:

- No. of Complaints received during the year - NIL
- No. of Complaints resolved during the year - NIL
- Pending Complaints at the end of the Financial Year – NIL

iii. NOMINATION & REMUNERATION COMMITTEE

As per Section 178 of the Companies Act, 2013 and rules made thereunder and Regulation 19 of the LODR Regulations 2015, the Company has a duly constituted Nomination and Remuneration Committee (“NRC”)

The terms of reference of the NRC inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal;
- To carry out evaluation of every Director’s performance; To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity;
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- To carry out any other function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modification, as may be applicable.

In addition to the above, NRC will carry out all such other functions as provided under applicable laws and specified by the Board of Directors from time to time.

As on 31st March, 2019, the NRC comprised of Mr. Rohit Kapur, Chairman (Non-Executive & Independent Director), Mr. Nirmaljeet Singh Gill and Lt. Gen. Pradeep Khanna as members. The quorum of the Committee is two members. The Company Secretary is the Secretary of the ‘NRC’.

During the Financial Year 2018-19, 1 (One) NRC meeting was held on 11th February, 2019. Attendance at Nomination & Remuneration Committee Meeting:

S. No.	Name of the Member	Designation	No. of Meetings held	No. of Meetings Attended
1.	Mr. Rohit Kapur	Chairman	1	1
2.	Mr. Nirmaljeet Singh Gill	Member	1	1
3.	Lt. Gen. Pradeep Khanna (Retd.)	Member	1	1



iv. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has a duly constituted Corporate Social Responsibility (“CSR”) Committee as per the requirement of Section 135 of the Companies Act, 2013.

The brief terms of reference of the Committee are as follows:

- Formulate and recommended to the Board, a CSR Policy.
- Recommend to the Board CSR activities to be undertaken by the Company.
- Monitor the CSR policy of the Company from time to time and ensure its Compliance.
- Submit to the Board its report giving status of the CSR activities undertaken, expenditure incurred and such other details as may be required by it.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

The CSR Committee of your Company consists of 3 (Three) Directors namely Mr. S.S. Sandhu, Chairman, Mr. N.S. Ghumman, Managing Director and Lt. Gen. Pradeep Khanna (Retd.), Non-Executive & Independent Director. Mr. S.S. Sandhu, Chairman, is the Chairman of the CSR Committee. The Company Secretary of the Company acts as the Secretary of the Committee.

During the FY 2018-19, 2 (Two) CSR Committee Meetings were held on 28th May, 2018 and 29th March, 2019. Attendance at CSR Committee Meeting

S. No.	Name of the Member	Designation	No. of Meetings Held	No. of Meetings Attended
1.	Mr. S.S. Sandhu	Chairman	2	2
2.	Mr. N.S. Ghumman	Member	2	2
3.	Lt. Gen. Pradeep Khanna (Retd.)	Member	2	2

4. Remuneration of Directors

Your Company has 2 (Two) Executive Directors. The Board of Directors decides the remuneration of the Managing Director and Chairman & Whole Time Director.

The Company has a system where all the Directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. No significant material transactions have been made by the Non-Executive Directors with the Company during the year.

Executive Director is paid remuneration within the limits envisaged under Schedule V of the Companies Act, 2013. The said remuneration is approved by the Board in the Board Meeting held on 12th February, 2019, subject to approval of shareholders.

The details of Remuneration, fees paid etc. to Directors for the year ended 31st March, 2019.

a) Non-Executive Directors

S.No.	Name of the Director	Sitting fees
1	Mr. Rohit Kapur	9,500
2	Mr. Nirmaljeet Singh Gill*	15,000
3	Lt. Gen. Pradeep Khanna (Retd.)	15,000
4	Capt. Jitender Singh Mann (Retd.)#	13,000
5	Ms. Harpreet Kaur	13,000
6	Mr. Gurmeet Singh Gill*	15,000

Note: Sitting fees amount has been revised/increased from ₹ 2000/- to ₹ 3500/- per Board meeting w.e.f 05th day of November, 2018

*Mr. Nirmaljeet Singh Gill and Mr. Gurmeet Singh Gill are related to each other (Brothers). Except the above mentioned no one is related to each other.

#Capt. J.S. Mann (Retd.), Independent Director of the Company passed away on May 31, 2019.



b) Paid to Executive Directors:

S.No.	Name of the Director	Salaries & Allowances	Contribution to PF	Other Benefits	Total
1	Mr. S.S. Sandhu	2,22,03,000	17,85,240	79,867	2,40,68,107
2	Mr. N.S. Ghumman	2,22,03,000	17,85,240	1,05,011	2,40,93,521

All Directors have disclosed their shareholding in the Company. Details of Shareholding of Directors as on 31st March, 2019 are as follows:

S.No.	Name of the Director	No. of shares holds	% of shareholding
1	Mr. S.S. Sandhu	576000	1.50
2	Mr. N.S. Ghumman	2994000	7.80

Details of Equity shares of the Company held by the Independent Directors as on 31st March, 2019 are given below: None of the Independent Directors held any Shares in Shivalik Bimetal Controls Limited as on 31st March, 2019.

5. DISCLOSURES

a) Non-Compliances/Strictures/penalties Imposed

The Company has complied with the various requirements of the Stock Exchange, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by Stock Exchange, SEBI and Statutory Authority relating to the above.

b) Disclosure of Accounting Treatment

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31st March, 2019 has been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2019.

c) "Material" subsidiary

The Company does not have any material listed/unlisted subsidiary companies as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) Risk Management

The Company has in place a mechanism to inform the Board members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.

e) Management Discussion and Analysis

The Management Discussion and Analysis forms the part of the Annual Report and is given separately.

f) Disclosure of commodity price risks and commodity hedging activities

None

g) Certificate from a Company Secretary in practice

M/s R Miglani & Co., Practicing Company Secretaries, has issued a Certificate as required under the SEBI (Issue of Capital & Disclosures Requirements) Regulations, 2015 as amended confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed with this section as **Annexure-1**.



h) Total fees paid to Statutory Auditors

During the year, the total fees for all services paid by the Company to M/s. Arora Gupta & Co., Chartered Accountants (Firm Registration No. 021313C), Statutory Auditors of the Company, and all entities in the network firm/network entity of which the statutory auditor is a part, aggregate to ₹ 15 Lakhs.

i) Compliances

All Returns/Reports were generally filed within the stipulated time with the Stock Exchange and other authorities. This Corporate Governance Report of the Company for the year ended 31st March, 2019 is in compliance with the requirements Part C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The status of Adoption of the non-mandatory requirements as specified in Sub-Regulation (1) of Regulation 27 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as follows:-

- i. The Board: the Chairman of the Company is Executive Chairman;
- ii. Position of the Chairman and Managing Director are held by separate individuals.
- iii. Shareholder Rights: Half yearly and other quarterly financial statements are published in Newspapers, uploaded on the Company's Website www.shivalikbimetals.com.
- iv. Modified opinion(s) in audit report: The Audit Report does not contain any qualifications.
- v. Reporting of Internal Auditor: The Internal Auditors of the Company reports to the Audit Committee

6. GENERAL MEETINGS

A. Annual General Meetings (AGM)

The details of last three Annual General Meetings are as mentioned below:

Year	2015-16	2016-17	2017-18
Date	20 th September, 2016	27 th September, 2017	27 th September, 2018
Time	10.00 AM	10.00 AM	10.30 AM
Venue	Plot No. 16-18, New Electronics Complex, Chambaghat, Distt. Solan (H.P)	Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts) Solan (H.P)- 173212	4 th Floor, Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts) Solan (H.P)- 173212
Special Resolutions	<ol style="list-style-type: none"> 1. To consider adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013. 2. Re-appointment & revision in remuneration of Mr. N.S. Ghumman, as Managing Director of the Company & fixation of remuneration. 3. Revision in Managerial remuneration of Mr. S.S. Sandhu, as Whole Time Director of the Company. 	<ol style="list-style-type: none"> 1. To approve the Alteration in the Articles of Association of the Company. 2. To consider the revision in the remuneration & the re-appointment of Mr. S.S. Sandhu as Chairman & Whole Time Director of the Company. 3. To consider the revision in the remuneration of Mr. N.S. Ghumman as Managing Director of the Company. 	<ol style="list-style-type: none"> 1. To increase in borrowing Limits of the Company.



Year	2015-16	2016-17	2017-18
		4. To approve the enhancement in prescribed limit of remuneration payable to Related Parties appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company. 5. To approve the appointment of Mr. Nirmaljeet Singh Gill (DIN: 00007425) as an Independent Director of the Company. 6. To approve the appointment of Mr. Rohit Kapur (DIN: 00007721) as an Independent Director of the Company. 7. To approve the appointment of Capt. Jitender Singh Mann (Retd.) (DIN: 06659626) as an Independent Director of the Company. 8. To approve the appointment of Lt. Gen. Pradeep Khanna (Retd.) (DIN: 06668919) as Independent Director of the Company. 9. To approve the issue of Bonus shares.	

B. Extra-Ordinary General Meeting (EGM)

During the year under review, No Extra-ordinary General Meeting was held.

7. MEANS OF COMMUNICATION

The Company provides un-audited as well as audited financial results to the stock exchanges immediately after being approved by the Board. The quarterly, half yearly and annual results of the Company are published in one English daily newspaper (The Financial Express) and one Hindi newspaper (Jan Satta). The Company's shareholding pattern, financial results, Code of Conduct, AGM Notice, Annual Reports, details of unclaimed dividends under the head - Investor Education Protection Fund ("IEPF"), Corporate Governance Reports, Corporate Social Responsibility Policy, Details of familiarization programmes for Independent Directors, Vigil Mechanism (including Whistle Blower Mechanism Policy), Terms and Conditions for appointment of an Independent Director, Policy on Dealing with Related Party Transactions, Investor Contact details etc. and other information as required under applicable provisions of the Companies Act, 2013 read with rules made thereunder and LODR Regulations 2015 including Regulation 46(2)(n) are being displayed at Company's website www.shivalikbimetals.com (in investor relations section). The Company also have exclusive e-mail ID i.e. investor@shivalikbimetals.com for investor's to contact the Company in case of any information and grievances.

No presentations were made by the Company to the analysts or to the institutional investors.

8. MD/CFO Certification

Managing Director and Chief Financial Officer (CFO) Certification, on financial statements is issued pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is annexed to the Corporate Governance report and forms part of the Annual Report.



9. GENERAL SHAREHOLDERS INFORMATION

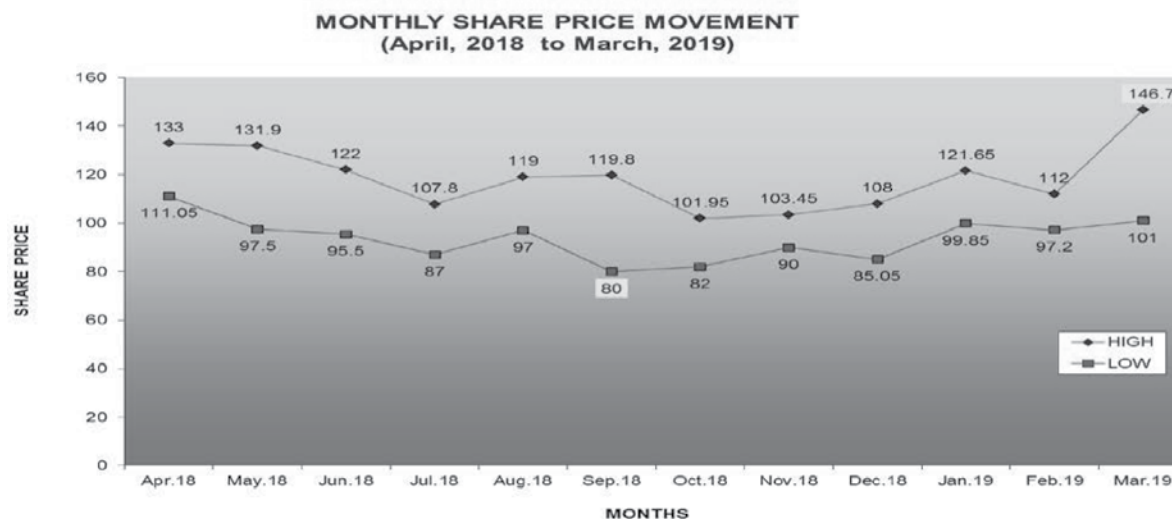
a)

1.	Annual General Meeting Day, Date, Time and Venue	Wednesday, 11 th day of September, 2019 at 10.30 AM at 4th Floor, Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts) Solan (H.P.)-173212
2.	Financial Year	April 01, 2018 to March 31, 2019
3.	Dates of Book Closure	05 th September, 2019 to 11 th September, 2019
4.	Dividend	Interim Dividend- (15%) ₹ 0.30/- for one equity share of ₹ 2/- each. Final Dividend- (15%) ₹ 0.30/- for one equity share of ₹ 2/- each.
5.	Dividend Payment date	Interim: 06 th March, 2019 Final Dividend- On or before 10 th October, 2019, subject to Shareholders' approval.
6.	Financial Calendar	Financial reporting for the quarter ending June 30, 2019 -Within 45 days from the end of quarter Sep 30, 2019 - Within 45 days from the end of quarter Dec 31, 2019 - Within 45 days from the end of quarter Mar 31, 2020 - Within 60 days from the end of the year
7.	Listing on Stock Exchanges	BSE Limited. The Listing fees for the Financial Year 2018-19 has been paid to the Exchange.
8.	Corporate Identification Number (CIN) of the Company	L27101HP1984PLC005862
9.	Payment of Depository Fees	Annual Custody/Issuer fee for the year 2019-20 has been paid by the Company to Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL).
10.	Stock Code	BSE Limited- 513097 ISIN of the Company- INE386D01027

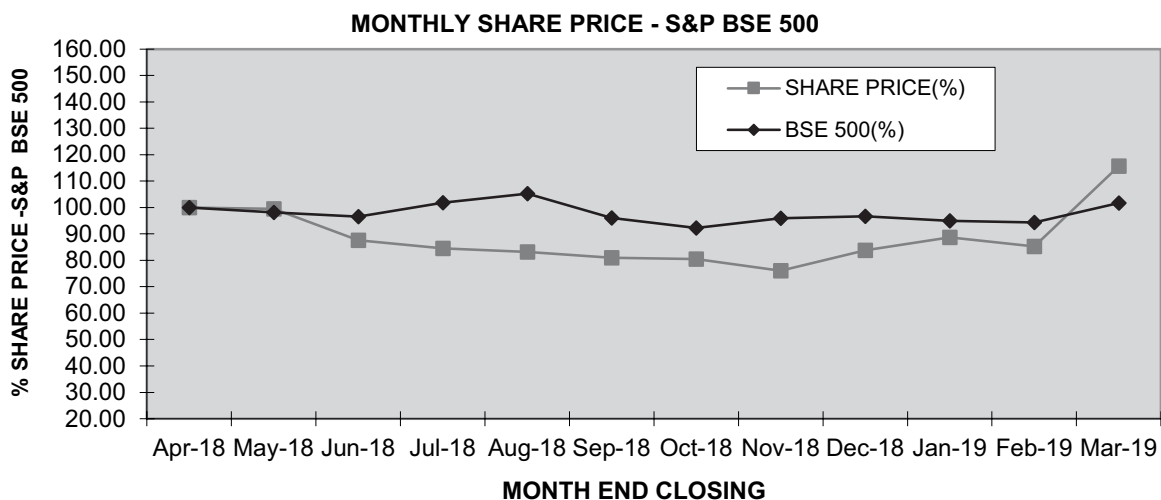
b) **Market Price Data: High, Low on BSE during each month in the last Financial Year 2018-19**

	Price per equity share of the face value of ₹ 2/- each			Price per equity share of the face value of ₹ 2/- each	
Month	High	Low	Month	High	Low
April, 2018	133.00	111.05	Oct., 2018	101.95	82.00
May, 2018	131.90	97.50	Nov., 2018	103.45	90.00
June, 2018	122.00	95.50	Dec., 2018	108.00	85.05
July, 2018	107.80	87.00	Jan., 2019	121.65	99.85
Aug., 2018	119.00	97.00	Feb., 2019	112.00	97.20
Sep., 2018	119.80	80.00	Mar., 2019	146.70	101.00

c) Performance of Shivalik Bimetal Controls Ltd. (“Shivalik”) share price (Monthly High & Low)



d) Performance of Shivalik Bimetal Controls Ltd. (“Shivalik”) share prices in comparison to BSE Sensex (Monthly Closing)



e) Registrar & Share Transfer Agent:

MAS Services Limited,
T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020
Tel No.: (91) (11) 26387281, 266387282
Fax: (91) (11) 26387384
Email: info@masserv.com

f) Share Transfer System

MAS Services Limited, Registrar & Share Transfer Agent (“RTA”) of the Company looks after share transfer, transmission, transposition, dematerialization and re-materialization of shares, issue of duplicate share certificates, split and consolidation of shares etc. on regular basis in compliance of various provisions of the laws, as applicable.



g) Distribution of Shareholding as on 31st March, 2019:

Shareholding of Nominal value of	Shareholders		No. of shares	Share Capital (Amount)	
	No.	% to total		In ₹	% to total
upto 1 – 5000	3881	58.168	659309	1318618	1.717
5001 – 10000	885	13.264	741961	1483922	1.932
10001 – 20000	887	13.294	1564371	3128742	4.074
20001- 30000	206	3.088	538338	1076676	1.402
30001- 40000	292	4.376	1131116	2262232	2.945
400001-50000	80	1.199	369835	739670	0.963
50001-100000	233	3.492	1695956	3391912	4.416
100001 and above	208	3.118	31701914	63403828	82.551
Total	6672	100.00	38402800	76805600	100

Shareholding Pattern as on 31st March, 2019

Category	No. of Shares held	% of total Shareholding
Promoters	23338268	60.77
Indian Bodies Corporate	519883	1.35
FII's/FVCP/NRI/Foreign Bodies	828827	2.16
Indian Public	13279756	34.58
Others – (Clearing members, trust etc)	436066	1.14
Total	38402800	100.00

h) Dematerialization of shares and liquidity

As on 31st March, 2019, total 38402800 equity shares of face value of ₹ 2/- each are listed at BSE. As on 31st March, 2019, 97.63% of the Company's total Share Capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

i) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs / Warrants or any convertible instruments.

j) Commodity price risk or foreign exchange risk and hedging activities

None

k) Major Plants /Units Location(s)

Plants Location:

Plot No. 16-18,
New Electronics Complex,
Chambaghat, Distt. Solan,
Himachal Pradesh-173213

Address for Correspondence

Head Office:

H-2, Second Floor, Suneja Chambers,
Alaknanda Commercial Complex,
New Delhi-110019

- a) For any complaints relating to non-receipt of shares after transfer, transmission, change of address, mandate etc., dematerialization of shares or any other query relating to shares shall be forwarded to the Share Transfer Agents directly at the address given hereunder. Members are requested to provide complete details regarding their queries quoting folio number/DP ID no./ Client ID No., number of shares held etc.



MAS Services Limited,
T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110020
Tel No.: (91) (11) 26387281, 266387282
Fax: (91) (11) 26387384
Email: info@masserv.com

- b) For any query on any point in Annual Report, non-receipt of Annual Report, non-receipt of dividend etc., the complaint should be forwarded to the kind attention of Ms. Aarti Jassal, Company Secretary & Compliance Officer of the Company at the following address:

Shivalik Bimetal Controls Limited
H-2, 2nd Floor, Alaknanda Commercial Complex, New Delhi-110019
Tel.: 011-26027174, Fax No.: 011-26026776

Members can also register their complaints at investor@shivalikbimetals.com, an exclusive email ID, designated by the Company for the purpose of registering complaints by investors, in compliance of Regulation 6(2)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

l) Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practicing Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the share capital held with Depositories (i.e. NSDL & CDSL) in dematerialised form and share capital held in physical form with the total issued and listed share capital of the Company.

m) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details have been disclosed in the Directors' Report forming part of the Annual Report.

n) Investor Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Companies Act, 2013 read with provisions of Investors Education & protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016 (as amended), all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more, already transferred by the Company in favour of Investor Education and Protection Fund (IEPF). The Company had communicated to all the concerned shareholders individually whose shares were liable to be transferred to IEPF. The Company had also given newspaper advertisements, before such transfer in favour of IEPF. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

The Company had also uploaded the details of such shareholders and shares transferred to IEPF on the website of the Company at www.shivalikbimetals.com/about-us.php?pageId=34.

Financial Year	Date of Declaration	Date of transfer to IEPF
2010-11(IInd Interim)	12 th May, 2011	17 th June, 2018
2010-11 (Final)	28 th September, 2011	03 rd November, 2018

Kindly note that once the amount is transferred to the IEPF, no claims shall lie against the Company.



o) Shivalik Bimetal Controls Ltd.- Unclaimed Suspense Account (“Unclaimed Suspense Account”).

The details of equity shares (“shares”) held in an Unclaimed Suspense Account are as follows:

S No.	Particulars	Details
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the Financial Year 2018-19	<ul style="list-style-type: none"> Aggregate number of shareholders – 94 Number of outstanding shares - 137000
2	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the Financial Year 2018-19	One Shareholder approached for 4000 equity shares.
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the Financial Year 2018-19	During the year: <ul style="list-style-type: none"> Shares transfer to IEPF account -9000 Transferred in the name of original shareholder - 4000 equity shares
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the Financial Year 2018-19	<ul style="list-style-type: none"> Aggregate number of shareholders – 93 Number of outstanding shares -124000

Note: Voting rights on the above mentioned equity shares would remain frozen till the owner of such equity shares claims the shares.

10. Certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance

A Certificate from Practicing Company Secretary certifying the compliance of corporate governance requirements by the Company is annexed to the Corporate Governance Report and forms part of the Annual Report.



Annexure to Report on Corporate Governance for the financial year ended 31st March, 2019.

Declaration of Compliance with the Code of Conduct

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm and declare that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended 31st March 2019.

For Shivalik Bimetal Controls Limited

Sd/-

S. S. Sandhu

Chairman

DIN:00002312

Place : New Delhi
Date : 12.08.2019

302, Kings I, Royal Retreat, Charmwood Village,
SurajKund, Faridabad, Haryana-121009, India



C E R T I F I C A T E

(Pursuant to clause 10 of Part C of Schedule V of LODR)

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; in respect of Shivalik Bimetal Controls Limited (CIN: L27101HP1984PLC005862) I hereby certify that: On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on March 31, 2019, none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

For R MIGLANI & CO.
Company Secretaries

Sd/
CS Rajni Miglani
Proprietor
ACS: 30016
C.O.P No: 11273

Date : 06.08.2019
Place : New Delhi



CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Shivalik Bimetal Controls Limited (“the Company”), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2019 and based on our knowledge and belief, we state that :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - ii. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company’s code of conduct.
- c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the code of conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- e) We have indicated, based on our most recent evaluation, wherever applicable to the Auditors and Audit Committee:
 - I. Significant changes, if any, in the internal control over financial reporting during the year;
 - II. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over financial reporting.

Sd/
(N.S. Ghumman)
Managing Director

Sd/
(Rajeev Ranjan)
Chief Financial Officer

Place : New Delhi
Date : 23.05.2019



PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of SHIVALIK BIMETAL CONTROLS LIMITED

1. We have examined the compliance of the conditions of Corporate Governance by Shivalik Bimetal Controls Limited ('the Company') for the financial Year ended on 31st of March, 2019, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For R MIGLANI & CO.
Company Secretaries

Sd/

CS Rajni Miglani

Proprietor (ACS: 30016)

C.O.P No: 11273

Place : New Delhi
Date : 12.08.2019



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC REVIEW

Global Review

According to International Monetary Fund ('IMF'), global growth is projected to decline from 3.6 percent in 2018 to 3.3 percent in 2019, before returning to 3.6 percent in 2020. Growth for 2018 was revised down by 0.1 percentage point relative to the October 2018 World Economic Outlook (WEO), reflecting weakness in the second half of the year, and the forecasts for 2019 and 2020 are now marked down by 0.4 percentage point and 0.1 percentage point, respectively. The current forecast envisages that global growth will level off in the first half of 2019 and firm up after that.

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. The economic environment for all major markets – in China, the U.S.A. and Europe – worsened significantly around the middle of the year. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and automobiles car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and, so, financial market sentiment aggravated, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies later in the year, weighing on global demand.

Indian Economy

The Indian economy started the fiscal year 2018–19 with a healthy 8.2 percent growth in the first quarter on the back of domestic elasticity. Growth eased to 7.3 percent in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions aggravated as recovery in some advanced economies caused faster investment outflows.

Real GDP growth of India is 6.8% in FY 2018-19 as compared to 7.7% in FY 2017-18. Further, due to subdued consumer demand, the country's economic growth rate slowed down to 5.8 percent during the fourth quarter of FY 2018-19. According to the Central Statistics Office (CSO), on a year-on-year (YoY) basis, the GDP growth of 5.8 per cent in the fourth quarter ended March'19 was way lower than the 8.1 per cent expansion witnessed during the same quarter of the previous year. In 2017, India had emerged as the sixth largest economy whereas with \$2.7 trillion GDP in 2018, India has become the seventh largest economy, slipped one place down largely due to the currency fluctuation and growth slowdown. The Reserve Bank of India shifted its focus from inflationary concerns to sustaining the growth momentum. Despite softer growth, the Indian economy remains one of the fastest growing after China and possibly the least affected by global turmoil. In fact, the effects of the aforementioned external shocks were contained in part by India's strong macroeconomic fundamentals and policy changes (including amendments to the policy/code related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment).

INDUSTRY OVERVIEW

The Company's growth is primarily interlinked with the Electrical, Electronics and Automotive Industries. The Growth of the electronic products industry has driven the expansion of the electronic component industry as well. The electronic components segment is expected to see bright days in near future and exports are expected to grow as the government has increased the export incentives for this industry. Also, the recent rise in the custom duties on energy meters, electronic products etc. will push up the demand for the components used in these products and thereby will increase the domestic production. The emerging high growth areas for domestic manufacturing are automotive components, electric vehicles and smart meters.



COMPANY OVERVIEW

“Shivalik” is engaged in the business of manufacturing & sales of Thermostatic Bimetal / Trimetal strips, Components, Spring Rolled Stainless Steels, EB welded products with multigauge, Cold Bonded Bimetal Strips and Parts etc. “The Company” has specialized in joining of materials through various methods such as Diffusion Bonding/ Cladding, Electron Beam Welding, Solder Reflow and Resistance Welding etc., and offers precision manufactured components specific to the application requirements and a single vendor to many prestigious OEMs since 1986 and have successfully met the most stringent of demands set by multiple large global organizations. The application of “Shivalik”'s Products are mainly in Switchgears, Circuit Breakers and various other Electrical and Electronic Devices. The Company’s products are exported to over 40 countries around the world.

Our vision for our business is “To earn our clients’ trust and maximize the value of their business by providing solutions using our knowledge and technology.” We seek to emphasize on our core values of being passionate about our clients’ success, treating each person with respect, being global and responsible, and maintaining unyielding integrity in everything we do.

FINANCIAL REVIEW

Standalone financial performance is as under:

Equity Share Capital: The Equity Share Capital of the Company as on 31st March, 2019 stood at ₹ 768.06 Lakhs. There was no fresh issue of capital during the year.

Turnover: The Company’s sales and other income has increased from ₹ 16,201.64 Lakhs to ₹ 19,877.81 Lakhs, an increase of 22.69% over the previous year.

Net Profit: Net profit available for appropriation for the year 2018-19 stood at ₹ 2,305.14 Lakhs as compared to ₹ 1,599.04 Lakhs in the previous year.

Earnings Per Share (EPS): The Company’s Earnings Per Share during the current year is ₹ 6.00 as compared to ₹ 4.16 in the previous year.

Net Worth:

Particular	FY 2018-19	FY 2017-18	CHANGE	CHANGE %
Net Worth	10,554.12	8,526.76	2,027.36	24

Net Worth has increased by 24 % from ₹ 8526.76 Lakhs in FY 2017-18 to ₹ 10554.12 Lakhs in FY 2018-19. The book value per share has increased to ₹ 27.48 in FY 2018-19 from ₹ 22.20 in FY 2017-18.

FUTURE OUTLOOK

The future outlook is optimistic, despite of the slow-down in the first quarter of FY 2019-20.

The outlook for SHIVALIK’s business (in long term) is positive based on the following developments in regulatory framework in India:

Electric Vehicle Market/Fame India Phase-II Programme: In March 2019, the Indian government announced the second phase of FAME – II, which envisages setting up of about 2700 charging stations across the country. The government has announced an outlay of ₹10,000 crore for FAME 2 to boost the number of electric vehicles in India. ₹1,000 crore has been earmarked for setting up charging stations for electric vehicles in India. The government will offer the incentives for electric buses, three-wheelers and four-wheelers to be used for commercial purposes. FAME 2 will offer incentives to manufacturers, who invest in developing electric vehicles and its components, including lithium-ion batteries and electric motors.

Considering the government reforms and changing policies will create conducive business environment, the Company is quite hopeful with the opportunities available and constantly working towards developing the integral components for Smart Meters and Electric Vehicles (Both two wheelers and four wheelers) Projects in a phased manner. We are expecting the aforementioned activities to enhance our revenues/profit in the future.



Opportunities & Threats

Opportunities

- Increase in urbanization, rising net disposable income, rise in nuclear families is positively impacting the demand.
- Improvement in Electrification through government initiatives such as ‘Saubhagya Scheme’ and ‘Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)’ are driving demand for electrical products in semi-urban and rural territories.
- Rise in affordable housing projects of the Govt. such as “Housing for All” and the “Pradhan Mantri Awas Yojana” offers potential to generate demand for electrical products.
- Government’s plan to convert traditional meters into smart meters and Replacement and retrofitting programmes.

Threats:

- Competition
- Change of technology
- Any unfavorable change in Govt. Policies may affect export competitiveness
- Market volatility

Risks & Concerns

Risk Management Policy has been adopted by the Board to review and mitigate risks relevant to environmental, operational and business risks to safeguard its interest. It ensures sustainable growth by implementing a proactive approach in reporting, evaluating and controlling/resolving risks associated with the business of the company. In order to achieve this, the policy establishes a structured and disciplined approach to Risk Management, including the development of the risk areas, so as to guide decisions on risk related issues.

The Company has internal audit systems which assesses the effectiveness of internal controls, risk identification and mitigation processes prevailing in the company. Audit Committee of the Board of Directors also reviews the internal audit reports and takes appropriate actions w.r.t. deviations, if any.

The various heads of operations have regular interactions and communications to keep themselves abreast with the developments in the market, products, competition and other relevant areas.

Internal Control System and their Adequacy

SHIVALIK has an adequate system of internal controls in place which has been designed to provide a reasonable assurance with regard to maintenance of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting. Company has documented procedures covering all financial and operating functions.

Company has robust internal audit programme, where the Internal Auditors, an independent firm of chartered accountants, conduct a risk-based audit with a view to not only test adherence to laid down policies and procedures but also to suggest improvements in processes and systems. Internal audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations.

Occupational Health & Safety

SHIVALIK gives great importance to all the matters related to Health, Safety and Environment and ensures compliances of all statutory regulations. Training of employees on emergency response, firefighting, rescue and first aid are some of the regular features at manufacturing sites.

Occupational Health & Safety is an area concerned with protecting the safety, health and welfare of employees engaged in the company. The goals of occupational safety and health programs include to foster a safe and healthy work environment. Occupational Health & Safety has been recognized as an integral and key part of the Company’s Business Process. The management believes that people working with the organization are of key resource for the success of the Organization. The sincere efforts put in by the employees have translated in to Quality improvements, Productivity



improvements and Cost reduction etc. Management firmly believes in developing and nurturing its human resources and improving their talents which subsequently help in the growth of the Company. Proper care is taken for safety, health and welfare of the employees. The Company ensured employee safety through investments in pollution mitigating equipment, the selection of safe processes, adequate safety training and provision of safety equipment. Our aim is to remove unsafe situations and practices by any/all pre-emptive steps required. For the safe return of the employees to their homes all precautions are taken to avoid accidents.

Human Resource and Industrial Relations

The organization maintains harmonious relations at all levels within the Company and employees are well motivated round the year to meet the goals set for them. Your Directors wish to place on record the deep sense of appreciation for the contributions made by the employees.

Your Company is continuously striving to create appropriate environment, opportunities and systems to facilitate identification, development, and utilization of their full potential and inculcating a sense of belongingness.

Your Company's industrial relations continued to be harmonious during the year under review.

Cautionary Statement

Statements in the "Management Discussion and Analysis" describing the Company's objectives, projections, estimates and expectations or predictions may be 'forward looking statement' within the meaning of applicable securities laws and regulations. Actual results could differ substantially and materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions effecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, currency (forex) fluctuations, changes in government regulations, tax laws and other statutes and other incidental factors.



ANNEXURE- “F”

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

Corporate Social Responsibility is a Company’s sense of responsibility towards the community and environment in which it operates. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing food, clothes, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company’s intent to make a positive contribution to the society in which the Company operates.

SHIVALIK will focus on CSR initiatives that promote the areas identified in this policy. SHIVALIK implements the chosen programs via two channels:

- a) Directly by SHIVALIK;
- b) Through its trust 'ABS Foundation'
- c) CSR primarily focuses on the following programs:
 - Promotion of education, art, culture and sports.
 - Preventive health care and Sanitation
 - Rural Development

The CSR policy of the Company is stated in <http://www.shivalikbimetals.com/images/pdf/sbcl-csr-policy.pdf>.

Composition of the CSR Committee:-

The CSR Committee comprises of the following directors:-

- a) Mr. S. S. Sandhu, Chairman;
- b) Mr. N.S. Ghumman, Member and
- c) Ltd. Gen. Pradeep Khanna (Retd.), Member

2. **Average net profit of the Company for last three financial years :- ₹ 13,61,89,917/-**

3. **Prescribed CSR Expenditure :-**

The Company was required to spend ₹ 27,23,798/- towards CSR

4. **Details of amount spent on CSR activities during the financial year :-**

- a) Total amount to be spent for the Financial Year: ₹ 27,23,798/-
- b) Total amount spent for the Financial Year: ₹ 28,11,945/-
- c) Amount unspent if any: None



d) Manner in which the amount spent during the Financial Year is detailed below:

(1) S. No	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent : Direct or through implementing agency*
1	Promoting health care including preventive health care and sanitation	Schedule 7(i), Health	Solan, Himachal Pradesh	5,00,000	5,00,000	5,00,000	Direct
2	Promoting Education: To support the activities directed towards improvement of education through support to schools/ institutions like providing Desk & Bench and construction of sheds in Govt. Schools.	Schedule 7(ii), Promoting Education	Solan, Himachal Pradesh	2,11,945	2,11,945	2,11,945	Direct
3	Promoting Education: Providing Supplementary Materials Students' School Fee, Books, Uniform, Teachers' Salary & Aid to Mangalakara Education Trust.	Schedule 7(ii), Promoting education	Haryana	15,82,000	15,82,000	15,82,000	Spent through ABS Foundation
4	Promotion of Sports: Organized Distt. Level Sports Programme, Organised Pro Kabaddi League Competition	Schedule 7(vii), Promotion of Sports	Haryana	1,98,000	1,98,000	1,98,000	Spent through ABS Foundation
5	Rural development Projects : Training camp organized for assembling LED lights and Solar LED Street Lights installed in Rural Area	Schedule 7(x), Rural development Projects	Haryana	3,20,000	3,20,000	3,20,000	Spent through ABS Foundation
	TOTAL			28,11,945	28,11,945	28,11,945	

5. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

We state that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-
N.S. Ghumman
Managing Director
DIN: 00002052

Sd/-
S. S. Sandhu
Chairman of CSR Committee
DIN: 00002312



INDEPENDENT AUDITORS' REPORT



To the Members of
Shivalik Bimetal Controls Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Shivalik Bimetal Controls Ltd.** (“the Company”), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (Hereinafter referred as “Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters (‘KAM’) are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key audit matters	How our audit addressed the key audit matters
<p>Refund of Indirect Taxes Paid on Exports</p> <p>As at 31st March 2019, amount of ₹ 355.87 Lakhs is grouped under the head “Other Current Assets” in respect of IGST paid on Export, the refund of which is pending to be received.</p> <p>Refer Note No 15 to Standalone Financial Statements</p>	<p><u>Principal Audit Procedures</u></p> <p>On the basis of our expert internal evaluation we have reviewed and analyzed the nature of amount refundable and its sustainability and likelihood of recoverability upon final resolution.</p>
<p>Uncertain tax Positions</p> <p>The company has uncertain tax positions including matters under dispute which involve significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 38(A) (1) of Standalone financial Statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>We performed the following substantive procedures:</p> <p>Obtained details of completed tax assessments and demands till the year ended March 31, 2019 from management. We critically analyzed the management’s underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management’s position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management’s position on these uncertainties.</p>



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flow with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e. on the basis of written representations received from the directors as on 31st March, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company internal financial controls over financial reporting.
 - g. In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements-Refer Note 38(A)(1) to the financial statements;
 - ii. the Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Arora Gupta & Co.

Chartered Accountants

Firm Registration No:- 0021313C

Sd/-

Amit Arora

Partner

Membership No:- 514828

Place : New Delhi
Dated : May 23, 2019



ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



The Annexure referred to in Independent Auditors Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2019, we report that:

- (i)
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. According to information and explanations given to us, the assets have been physically verified by the management during the year as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii)
 - a. The management has conducted physical verification of inventory at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (iii) The company has not granted any loans, to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b), & (c) of the Companies (Auditor's Report) Order, 2016 (hereinafter referred to as the said Order) are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act to the extent applicable in respect of loans, investments, guarantees, and security.
- (v) The company has not accepted any deposits from the public and therefore provisions of clause 3(v) of the order are not applicable to the company.
- (vi) Company has maintained the cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act.
- (vii)
 - a. According to information and explanations given to us and on the basis of our examination of the records of the Company, the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been deposited regularly with the appropriate authorities.
 - b. According to the information and explanations given to us, there were no undisputed dues outstanding of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, banks and debenture holders.
- (ix) According to information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loans raised during the year have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.



ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause 3(xii) is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Arora Gupta & Co.
Chartered Accountants
Firm Registration No:021313C

Sd/-
Amit Arora
Partner

Membership No:- 514828

Place : New Delhi
Date : May 23, 2019



ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT



(Referred to paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Shivalik Bimetal Controls Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shivalik Bimetal Controls Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Arora Gupta & Co.
Chartered Accountants
Firm Registration No:021313C

Place : New Delhi
Date : May 23, 2019

Sd/-
Amit Arora
Partner
Membership No:- 514828



SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

BALANCE SHEET as at 31st March, 2019



(₹ in lakhs)

I. ASSETS

Non-current assets

	Notes	As at 31 st March 2019	As at 31 st March 2018
(a) Property, Plant & Equipment	3	4,518.80	4,512.41
(b) Capital Work-In-Progress	3	536.54	408.11
(c) Intangible assets	3.7	11.29	7.48
(d) Intangible Assets Under Development	3.7	62.02	63.74
(e) Financial Assets			
(i) Investments	5	1,027.44	930.76
(ii) Loans receivables	6	38.43	34.32
(iii) Other Financial Assets	7	-	0.55
(f) Other Non Current Assets	8	31.63	50.98
Total Non Current Assets		6,226.15	6,008.35

Current assets

(a) Inventories	9	6,926.74	4,060.09
(b) Financial Assets			
(i) Trade receivables	10	3,457.54	3,359.03
(ii) Cash and cash equivalents	11	39.10	22.58
(iii) Other Bank Balances	12	9.72	12.51
(iv) Loans receivables	13	1.15	1.75
(v) Others Financial Assets	14	2.75	0.64
(c) Other current assets	15	736.75	1,173.16
(d) Current Tax Assets	16	15.42	15.42
Total Current Assets		11,189.17	8,645.18

Asset Classified as held for sale

	4	191.86	191.86
TOTAL ASSETS		17,607.18	14,845.39

II. EQUITY AND LIABILITIES

Equity

(a) Equity Share capital	17	768.06	768.06
(b) Other Equity	18	9,786.06	7,758.70
Total Equity		10,554.12	8,526.76

Non-current liabilities

(a) Financial Liabilities			
(i) Borrowings	19	744.04	744.16
(ii) Other Financial Liabilities	20	40.06	-
(b) Provisions	21	32.96	29.41
(c) Deferred tax liabilities (Net)	22	442.05	458.86
Total Non-Current Liabilities		1,259.11	1,232.43

Current liabilities

(a) Financial Liabilities			
(i) Borrowings	23	3,261.94	2,302.38
(ii) Trade payables			
a) Outstanding dues of micro enterprises and small enterprises	24	9.50	7.14
b) Outstanding dues of creditors other than micro enterprises and small enterprises	24	1,454.22	1,733.22
(iii) Other Financial Liabilities	25	718.27	792.65
(b) Other current liabilities	26	190.23	172.28
(c) Provisions	27	9.30	10.68
(d) Current Tax Liabilities	28	150.49	67.85
Total Current Liabilities		5,793.95	5,086.20

TOTAL EQUITY AND LIABILITIES

		17,607.18	14,845.39
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The accompanying notes form an integral part of the standalone financial statements.

1 to 44

As per our report of even date

For Arora Gupta & Co.

Chartered Accountants

FRN No.021313C

Sd/-
AMIT ARORA
Partner
M.No.514828

Sd/-
RAJEEV RANJAN
Chief Financial Officer

Sd/-
AARTI JASSAL
Company Secretary
M.No. A25690

Sd/-
N.S. GHUMMAN
Managing Director
DIN 00002052

Sd/-
S.S. SANDHU
Chairman
DIN 00002312

For and on Behalf of the Board

Place : New Delhi

Date : May 23, 2019



SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2019



		(₹ in lakhs, except per share data)		
		Notes	Year Ended 31 st March 2019	Year Ended 31 st March 2018
I	Revenue from operations	29	19,339.15	15,984.11
II	Other income	30	538.66	415.25
III	Total Revenue (I + II)		19,877.81	16,399.36
IV	Expenses			
	(a) Cost of materials consumed	31	10,865.57	8,953.47
	(b) Changes in Inventories of Finished Goods and work-in-progress	32	(1,278.29)	(790.31)
	(c) Excise Duty		-	197.72
	(d) Employee benefits expense	33	1,691.56	1,447.90
	(e) Finance costs	34	357.73	331.13
	(f) Depreciation & Amortisation	3	484.86	461.58
	(g) Other expenses	35	4,506.42	3,611.88
	Total expenses		16,627.85	14,213.37
V	Profit/(loss) before tax (III-IV)		3,249.96	2,185.99
VI	Tax expense			
	(a) Current tax	36	958.88	564.82
	(b) Current tax related to previous years	36	-	(62.77)
	(c) Deferred tax	36	(16.81)	85.25
	Total		942.07	587.30
VII	Profit/(Loss) for the years (V-VI)		2,307.89	1,598.69
VIII	Other Comprehensive Income			
	i. Items that will not be reclassified to Statement of Profit and Loss			
	¹ Remeasurement of defined benefit obligation		(3.88)	0.53
	¹ Income tax on above		1.13	(0.18)
IX	Total Comprehensive Income for the Period (VII+VIII)		2,305.14	1,599.04
X	Earnings per equity share			
	(a) Basic (₹)	37	6.00	4.16
	(b) Diluted (₹)	37	6.00	4.16
	The accompanying notes form an integral part of the standalone financial statements.	1 to 44		

As per our report of even date

For Arora Gupta & Co.

Chartered Accountants

FRN No.021313C

For and on Behalf of the Board

Sd/-
AMIT ARORA
Partner
M.No.514828

Sd/-
RAJEEV RANJAN
Chief Financial Officer

Sd/-
AARTI JASSAL
Company Secretary
M.No. A25690

Sd/-
N.S. GHUMMAN
Managing Director
DIN 00002052

Sd/-
S.S. SANDHU
Chairman
DIN 00002312

Place : New Delhi

Date : May 23, 2019

SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

CASH FLOW STATEMENT

for the year ended on 31st March, 2019



(₹ in lakhs)

A.	CASH FLOW FROM OPERATING ACTIVITIES	Year Ended 31 st March 2019	Year Ended 31 st March 2018
	Net Profit before tax	3,249.96	2,185.99
	Adjustments for:		
	Depreciation and amortisation expense	484.86	461.58
	Interest Expense	357.73	331.13
	Interest Income	(0.76)	(3.34)
	Net (Gain)/loss arising on financial instruments designated as FVTPL	(0.07)	(0.22)
	Amount Written Back	(2.04)	(1.24)
	Unrealised foreign exchange loss/(gain) on borrowings	(97.76)	51.86
	Loss Allowance for doubtful receivables	3.91	15.40
	(Profit)/Loss on sale of Property, Plant and Equipment	4.48	0.01
	Dividend received	(0.30)	(0.24)
	Operating Profit before Working Capital changes	4,000.01	3,040.93
	Adjustment for :		
	Trade receivables	(102.42)	(732.83)
	Inventories	(2,866.65)	(1,453.58)
	Trade Payables	(274.59)	924.84
	Other Assets	439.76	(635.92)
	Other Liabilities	56.46	(72.13)
	Provisions	(1.72)	(34.17)
	Cash generated from operations	1,250.84	1,037.14
	Income Tax paid	(875.11)	(472.94)
	Net Cash generated from operating Activities (A)	375.73	564.20
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Payment for Property Plant and Equipment & Intangible assets including capital advances & CWIP	(625.80)	(759.62)
	Proceeds from Sale of Property Plant and Equipment	12.82	43.40
	Interest Income	1.21	7.12
	Dividend Received	0.30	0.24
	Investment In Joint Venture	(96.60)	-
	Net cash (used in)/ from investing activities (B)	(708.07)	(708.86)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from long term Borrowings*	1,150.30	757.28
	Repayment of long term Borrowings*	(1,222.30)	(339.30)
	Proceeds from short term Borrowings (net)*	1,057.32	255.98
	Interest Paid	(360.49)	(328.81)
	Dividend (Including Dividend Tax Paid)	(274.33)	(193.08)
	Unclaimed Dividend transferred to Investor Protection Fund	(1.64)	(2.75)
	Net Cash generated from financing activities (C)	348.86	149.32
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	16.52	4.66
	Cash and Cash Equivalents (Opening Balance)	22.58	17.92
	Cash and Cash equivalents (Closing Balance)	39.10	22.58

* Refer note no. 23.1 for changes in liabilities due to financing activities

The accompanying notes form an integral part of the standalone financial statements.

1 to 44

As per our report of even date

For and on Behalf of the Board

For Arora Gupta & Co.

Chartered Accountants

FRN No.021313C

Sd/-
AMIT ARORA
Partner
M.No.514828

Sd/-
RAJEEV RANJAN
Chief Financial Officer

Sd/-
AARTI JASSAL
Company Secretary
M.No. A25690

Sd/-
N.S. GHUMMAN
Managing Director
DIN 00002052

Sd/-
S.S. SANDHU
Chairman
DIN 00002312

Place : New Delhi

Date : May 23, 2019



SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2019



Statement of Changes in Equity

A. Equity Share Capital

(₹ in lakhs)

As at 1 st April 2017	Movement During the Year	As at 31 st March 2018	Movement During the Year	As at 31 st March 2019
384.03	384.03	768.06	-	768.06

B. Other Equity

(₹ in lakhs)

Particulars	Capital Reserve	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2017	0.57	2,637.07	4,102.49	6,740.13
Profit for the year	-	-	1,598.69	1,598.69
Other Comprehensive income for the year	-	-	0.35	0.35
Transactions with owners				
Dividend	-	-	(163.21)	(163.21)
Tax on Dividend	-	-	(33.23)	(33.23)
Transfer to General Reserves	-	-	(384.03)	(384.03)
Balance as at 31st March,2018	0.57	2,637.07	5,121.06	7,758.70
Profit for the year	-	-	2,307.89	2,307.89
Other Comprehensive income for the year	-	-	(2.75)	(2.75)
Transactions with owners				
Dividend	-	-	(230.42)	(230.42)
Tax on Dividend	-	-	(47.36)	(47.36)
Balance as at 31st March,2019	0.57	2,637.07	7,148.42	9,786.06
<i>The accompanying notes form an integral part of the standalone financial statements.</i>		1 to 44		

As per our report of even date
For Arora Gupta & Co.
 Chartered Accountants
 FRN No.021313C

For and on Behalf of the Board

Sd/-
AMIT ARORA
 Partner
 M.No.514828

Sd/-
RAJEEV RANJAN
 Chief Financial Officer

Sd/-
AARTI JASSAL
 Company Secretary
 M.No. A25690

Sd/-
N.S. GHUMMAN
 Managing Director
 DIN 00002052

Sd/-
S.S. SANDHU
 Chairman
 DIN 00002312

Place : New Delhi
 Date : May 23, 2019



SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2019)



1. COMPANY'S OVERVIEW

Shivalik Bimetal Controls Limited ("the Company" or "Shivalik") is a widely-held public limited Company which was incorporated in the year 1984 and has been in commercial production since October 1986. Manufacturing units of "Shivalik " are located at Chambaghat, Solan, in the state of Himachal Pradesh, India. The Company's shares are listed on Bombay Stock Exchange.

"Shivalik" is engaged in the business of manufacturing & sales of Thermostatic Bimetal / Trimetal strips, components, Spring Rolled Stainless Steels, EB welded products with multigauge, Cold Bonded Bimetal Strips and Parts etc. "The Company" is specialized in joining of materials through various methods such as Diffusion Bonding/Cladding, Electron Beam welding, Solder Reflow and Resistance Welding etc., and offers precision manufactured components specific to the application requirements and a single vendor to many prestigious OEM's since 1986 and have successfully met the most stringent of demands set by multiple large global organizations. The application of "Shivalik"’s Products are mainly in Switchgears, Circuit Breakers and various other Electrical and Electronic devices. The Company's products are exported to over 40 Countries around the world.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below.

2.1 Statement of Compliance with Ind ASs

The financial statements of the Company have been prepared in accordance with the Indian Accounting standards ('Ind AS'), notified under Section 133 read with rule 3 of Companies (Indian Accounting Standards) Rules 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions of the Companies Act, 2013 (Collectively, "Ind ASs").

All the amounts included in the financial statements are reported in Lakhs of Indian Rupees except per share data unless stated otherwise.

2.2 Basis of Preparation of Financial Statements

These financial statements are prepared, under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported balance of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Accounting estimates could change from period to period. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include primarily useful lives of property, plant and equipment, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.4 Revenue

The company has adopted and applied Ind AS 115 "Revenue from contract with Customers", w.e.f 1st April 2018, which establishes a comprehensive framework for determining 'whether', 'how much' and 'when' the revenue is to be recognized. The Company has adopted Ind AS 115 using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative



SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2019)



information in the statement of profit and loss is not restated. The impact of adoption of the standard on the financial statements of the Group is insignificant.

Revenue is recognized upon satisfaction of the performance obligation by transferring the control promised product or provision of service to a customer in an amount that reflects the consideration which a company expects to receive in exchange for those products or service.

Revenue is recognized net of returns and is measured based on the transaction price, which is the consideration, adjusted for trade discounts, incentives etc agreed as a term of contract. Revenue also excludes taxes collected from customers.

Income from Interest is recognised using Effective Interest rate method. Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Export Incentive Entitlements are recognised as Income when right to receive credit as per the terms of the scheme is established in respect of eligible exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Use of significant judgements in revenue recognition

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products /services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

The Company exercises judgement in determining whether the performance obligation is satisfied at a appoint in time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.5 Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

The transactions in the currencies other than the entity's functional currency (foreign currency's) are accounted for at the exchange rate prevailing on the transaction's date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at closing rates of exchange at the reporting date and the resultant difference is charged/ credited in Statement of Profit & Loss.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on



SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2019)



foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses arising on reinstatement of foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated on reporting date.

2.6 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

All other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred

Borrowing costs include interest and exchange difference arising from currency borrowing to the extent they are regarded as an adjustment to the interest cost.

2.7 Government Grant and Assistance

Government grants are assistance by government in the form of transfer of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity and the same are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Grants relating to purchase of Property, Plant and Equipment are presented by deducting the grant from carrying amount of related assets.

2.8 Employees' Benefits

Defined Contribution Plans:

The Company has contributed to State Governed Provident Fund scheme, Employees State Insurance scheme and Employee Pension Scheme which are defined contribution plans. Contribution paid or payable under the scheme is recognized as expense during the period in which employees have rendered the service entitling them to the contributions.

Defined Benefit Plans:

The employees' gratuity is a defined benefit plan. The present value of the obligation under such plan is determined based on the Actuarial Valuation using the projected unit credit method which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The Company has an employee gratuity fund managed by Life Insurance Corporation of India (LIC). The gains or losses are charged to Profit and Loss Account.

Liability in respect of leave encashment is provided based on Actuarial Valuation using the projected unit credit method.

Compensation to employees, who opted for retirement under the Voluntary Retirement Scheme of the company, is charged to the statement of Profit & Loss in the year of exercise of option by the employee.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income

2.9 Taxes on Income

Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits/ benefits computed in accordance with the provisions of the Income Tax Act, 1961.



SIGNIFICANT ACCOUNTING POLICIES

(Forming part of Financial Statements for the year ended 31st March, 2019)



Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.

2.10 Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts, if any and rebates, import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing cost attributable to the Qualifying Asset.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses., if any.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on estimate of their specific useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

Capital work-in-progress represents the cost of Property Plant and Equipment that are not yet ready for their intended use at the reporting date.



The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Cost of in-house assembled/fabricated fixed assets comprise those costs that relate directly to the specific assets and other costs that are attributable to the assembly/fabrication thereof.

Depreciation on Fixed Assets is provided based on useful lives of assets as prescribed in Schedule-II to Companies Act 2013 except in respect of followings assets where estimated useful life is different than these mentioned in Schedule II are as follows:-

i) Plant & Machinery	15-30 years
ii) Dies & Tools	2 years
iii) Assets costing below ₹ 5,000/-	1 year
iv) Computer Software	3 Years
v) Temporary Building Shed	2 Years
vi) Machinery Spares	3-10 Years
vii) Leasehold Land	Lease term

2.11 Intangible Assets

Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation or amortization and impairment, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

2.12 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

Cost of Inventories are determined as follows;

- Raw materials, stores and spares: At cost, on “FIFO” basis;
- Work-in-progress: At cost plus related cost of conversion including appropriate overheads;
- Finished goods: At cost plus related cost of conversion including appropriate overheads
- Saleable Scrap is valued at estimated realizable value

Raw Material and other supplies held for use in the production of finished products are not written down below cost , except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value . The comparison of cost and net realisable value is made on item by item basis.

2.13 Impairment of non financial assets

The Carrying amounts of assets are reviewed at each Balance Sheet date and if there is any indication to the effect that the recoverable amount of the Asset/ CGU (Cash Generating Unit) is less than its carrying amount, the difference is treated as “Impairment Loss”. The recoverable amount is greater of the asset's net selling price less cost to sell and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired,the impairment loss is recognised in the statement of profit and loss account.



2.14 Leases.

At inception of an arrangement, it is determined whether an arrangement is or contains a lease. If it is a lease arrangement, it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases : Assets leased to the company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the company are classified as finance lease. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of minimum lease payments. Minimum lease payments made under the finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases: Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under Operating leases (net of any incentives received from the lessor) are charged to the statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.15 Non Current Assets Held for sale

Non Current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and their fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the statement of Profit and Loss.

Once Classified as held for sale, property, plant and equipment and intangible assets are no longer amortised or depreciated.

2.16 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.17 Cash Flow Statements

Cash flows are reported using the indirect method, whereby Profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

2.18 Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

A. Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent Measurement

- a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



b) Financial assets at fair value through other comprehensive income (FVTOCI).

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. This includes equity investment in other than Joint Ventures and Associates.

C. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk lifetime ECL is used.

Financial Liabilities

A. Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative Financial Instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, in the form of foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

Derecognition of Financial Instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.



2.19 Investment in Associates and Joint Ventures

The Company has accounted for its investments in associates and joint ventures at cost less accumulated impairment loss, if any.

2.20 Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.21 Earnings Per share

(i) Basic Earning Per Share.

Basic Earnings per Share is computed by dividing:

- a. net profit or loss for the period attributable to equity shareholders
- b. by the weighted average number of Equity Shares outstanding during the period

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account:

- a. the after income tax effect of interest and other financing costs associated with dilutive potential equity and
- b. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22 Provision and Contingent Liabilities

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if

- a. the company has a present obligation as a result of past event,
- b. a probable outflow of resources is expected to settle the obligation; and
- c. the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. a present obligation arising from past events, when no reliable estimate is possible; and
- iii. a possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.23 Critical Accounting Judgements and Key Source of Estimation of Uncertainty

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Key Source of estimation uncertainty

(i) Useful lives of property, plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.



(ii) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(iii) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

(iv) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(vi) Fair Value Measurement

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

B. Critical Accounting Judgements

(i) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment

(ii) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



2.24 Recent accounting pronouncements

Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116-Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard, if any, will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. The company is in the process of assessing and implementing the impact of this amendment on its financial statements

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty
- (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
- (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.



Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not expect any impact from this amendment.



Notes on Financial Statements for the period ended 31st March 2019



3. Property, Plant & Equipment	(₹ in lakhs)								
Particulars	Leasehold land	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total	Capital Work in Progress
Cost/Deemed Cost									
As at 1 st April 2017	400.00	-	380.62	4,333.78	192.36	551.92	219.15	6,077.83	387.94
Additions	-	330.06	7.44	203.86	3.72	145.92	19.74	710.74	53.31
Disposals	-	-	-	2.61	-	130.76	2.03	135.40	-
Other adjustments (refer note no.3.2 below)	-	-	-	2.27	-	-	-	2.27	(33.14)
As at 31st March 2018	400.00	330.06	388.06	4,537.30	196.08	567.08	236.86	6,655.44	408.11
Additions	76.03	-	54.93	307.98	24.69	5.34	34.36	503.33	170.83
Disposals	-	-	-	16.82	44.38	151.67	-	212.87	-
Capitalised during this year	-	-	-	-	-	-	-	-	42.40
Other adjustments (refer note no.3.2 below)	-	-	-	1.70	-	-	-	1.70	-
As at 31st March 2019	476.03	330.06	442.99	4,846.98	203.95	528.04	119.55	6,947.60	536.54
Accumulated depreciation									
As at 1st April 2017	6.25	-	213.72	925.21	150.69	296.39	183.64	1,775.90	-
Depreciation charged for the year	6.25	-	20.60	329.10	11.24	74.39	17.53	459.11	-
On disposals	-	-	-	2.61	-	87.34	2.03	91.98	-
As at 31st March 2018	12.50	-	234.32	1,251.70	161.93	283.44	199.14	2,143.03	-
Depreciation charged for the year	7.05	-	19.33	363.29	11.65	60.90	19.11	481.33	-
On disposals	-	-	-	16.73	-	27.87	150.96	195.56	-
As at 31st March 2019	19.55	-	253.65	1,614.99	156.85	316.47	67.29	2,428.80	-
Net block									
As at 31st March 2018	387.50	330.06	153.74	3,285.60	34.15	283.64	37.72	4,512.41	408.11
As at 31st March 2019	456.48	330.06	189.34	3,231.99	47.10	211.57	52.26	4,518.80	536.54



- 3.1 Leasehold Land represents Land on long term lease basis. (refer note no.41)
- 3.2 Other adjustment comprise exchange difference arising on settlement of long term foreign currency monetary items pertaining to acquisition of depreciable assets of ₹ 1.70 lakhs (PY: ₹2.27 Lakhs) capitalised.
- 3.3 Borrowing Cost Capitalised during the year aggregated to ₹ 3.88 Lakhs (Previous Year: ₹ 4.69 Lakhs). (refer note no.34)
- 3.4 Refer note 38B for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 3.5 Refer note no.19 and 23 for information on Property, plant and equipment pledged as security by the company against borrowings.
- 3.6 Capital Work in Progress includes the following expenses, capitalised.

Particulars	As at 1st April 2018	Additions during the year	Capitalised during the year	As at 31st March 2019
Finance Costs	49.01	3.88	-	52.89
Other Expenses	128.33	107.86	-	236.19
Total	177.34	111.74	-	289.08



Notes on Financial Statements for the period ended 31st March 2019



3.7 Intangible Assets*

(₹ in Lakhs)

Particulars	Computer Software	Intangible Assets Under Development
<u>Cost/Deemed Cost</u>		
As at 1st April 2017	37.45	58.84
Additions	1.51	4.90
Disposals	-	
As at 31st March 2018	38.96	63.74
Additions	7.34	(1.72)
Disposals		
As at 31st March 2019	46.30	62.02
<u>Accumulated amortisation</u>		
As at 1st April 2017	29.01	-
Amortisation for the year	2.47	-
On disposals	-	-
As at 31st March 2018	31.48	-
Amortisation for the year	3.53	-
On disposals		
As at 31st March 2019	35.01	-
<u>Carrying Value</u>		
As at 31st March 2018	7.48	63.74
As at 31st March 2019	11.29	62.02

*Other than internally generated

4. Asset classified as held for sale

(₹ in Lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Freehold Land at Kandaghat, Solan	191.86	191.86
	191.86	191.86

4.1 Permission u/s 118 of HP Tenancy and land reforms Act, 1972 is awaited.

5. Investments (Non Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Investment(s) (at Cost)		
In Equity Instruments of ;		
(a) Associate Company		
i) Unquoted Equity Instrument of "Shivalik Bimetal Engineers Private Limited" of face value ₹ 10/- each fully paid up	22.28	22.28
(No . Of Shares)	(222,750)	(222,750)



Notes on Financial Statements for the period ended 31st March 2019



Particulars	As at 31 st March 2019	As at 31 st March 2018
(b) Joint Venture Companies		
i) Unquoted Equity Instrument of "Checon Shivalik Contact Solutions Private Limited" of face value ₹ 10/- each fully paid up (No . Of Shares)	221.45 (1,710,900)	221.45 (1,710,900)
ii) Unquoted Equity Instrument of "Innovative Clad Solutions Private Limited" of face value ₹ 10/- each fully paid up. (No . Of Shares)	780.02 (16,086,003)	683.42 (15,120,000)
Investments (at Fair Value Through Profit & Loss)		
(a) In Equity Shares of Other Company		
ii) Unquoted Equity Instrument of "Shivalik Solid Waste Management Limited" of face value ₹ 10/- each fully paid up. (No . Of Shares)	3.69 (20,000)	3.61 (20,000)
	1,027.44	930.76

Particulars	As at 31 st March 2019	As at 31 st March 2018
Aggregate amount of unquoted investments	1,027.44	930.76
Aggregate amount of quoted investments	-	-
Aggregate amount of impairment in the valuation of Investment	-	-
	1,027.44	930.76

6. Loans Receivables (Non Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Considered Good- Unsecured Security Deposits ; Government Undertakings /Authorities Related Parties Others	 15.08 13.50 9.85	 14.95 13.50 5.87
	38.43	34.32

7. Other Financial Assets (Non Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Margin Money Deposit *	-	0.55
	-	0.55

*Represents Term deposit receipts pledged against Bank Guarantees issued and having maturity of more than 12 months



Notes on Financial Statements for the period ended 31st March 2019



8. Other Non Current Assets

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Capital Advances	30.26	43.53
Prepaid Expenses	1.37	7.45
	31.63	50.98

9. Inventories

(Carried at lower of Cost or Net realisable value)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Raw Materials	3,714.32	2,125.38
Work-in-Progress	1,408.41	1,168.87
Finished goods	1,641.92	602.32
Stores, Spares and Packing Material	150.07	150.66
Scrap	12.02	12.86
	6,926.74	4,060.09
Material in Transit (included in Inventories, above)		
i) Raw Material	379.08	146.27
ii) Stores, Spares and Packing Material	1.81	5.65
	380.89	151.92

Refer note 23 for hypothecation/charge created.

10. Trade Receivables

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Considered Good- Secured [#]	16.58	40.48
Considered Good- Unsecured		
Related Party	1.55	1.92
Others	3,439.41	3,316.63
Considered Doubtful	20.88	17.03
Less: Allowances for Credit Losses [*]	(20.88)	(17.03)
	3,457.54	3,359.03

[#] Secured against Letter of Credit

Refer note 23 for hypothecation/charge created.

^{*}In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.



Notes on Financial Statements for the period ended 31st March 2019



(i) Movements in allowance of credit losses of receivables;

Particulars	As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the Year	17.03	555.83
Charge in Statement of Profit and Loss	3.91	15.40
Release to Statement in Profit and Loss	-	
Utilised during the Year*	0.06	554.20
Balance at the end of the Year	20.88	17.03

*During the year, the Company has written off Irrecoverable trade receivables aggregating to ₹ 0.06 Lakhs (Previous Year ₹554.20 Lakhs).

11. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Balances with banks in		
- Current Accounts	36.07	20.10
Cash on hand	3.03	2.48
	39.10	22.58

There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting period and prior periods.

12. Other Bank Balances

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Unpaid Dividend held in Bank Accounts [#]	8.95	7.14
Margin Money Deposit against Bank Guarantee (s)*	0.77	5.37
	9.72	12.51

[#]Balance in Unpaid Dividend account has restricted use.

*Deposits with maturity more than three months but less than 12 months, held by the Company are not available for use, as these are pledged with Banks against guarantee(s) given to Government authorities.

13. Loans Receivables (Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Considered good-unsecured		
Security Deposits, to others	1.15	1.75
	1.15	1.75

14. Others Financial Assets

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Advances to Employees	2.75	0.64
	2.75	0.64



Notes on Financial Statements for the period ended 31st March 2019



15. Other Current Assets

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Prepaid Expenses	130.18	128.15
Balances with Revenue authorities	414.91	860.04
Export Incentive*	144.58	143.27
Investment in Gold Coin	30.57	30.57
Advances to suppliers	13.80	11.04
Others	2.71	0.09
	736.75	1,173.16

*Includes ₹ 53.70 lakhs (Previous Year ₹ 84.22 lakhs) on account of Scrips in hand.

16. Current Tax Assets

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Income Tax Refundable	15.42	15.42
	15.42	15.42

17. Equity Share Capital

(₹ in lakhs, except per share data)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Authorised Share Capital:		
Equity Shares of ₹ 2/- each	1,500.00	1,500.00
(No . Of Shares)	(75,000,000)	(75,000,000)
Issued Subscribed and Paid Up:		
Equity Shares of ₹ 2/- each fully paid up	768.06	768.06
(No . Of Shares)	(38,402,800)	(38,402,800)
Total	768.06	768.06

17.1 Reconciliation of Number of Shares

Particulars	Number of Shares	Amount (₹ in lakhs)
Balance as at 1st April,2017	19,201,400	384.03
Shares Issued during the year	-	-
Shares Bought back during the year	-	-
Shares Issued as Bonus Shares	19,201,400	384.03
Balance as at 31st March,2018	38,402,800	768.06
Shares Issued during the year	-	-
Shares Issued as Bonus Shares	-	-
Shares Bought back during the year	-	-
Balance as at 31st March,2019	38,402,800	768.06



Notes on Financial Statements for the period ended 31st March 2019



- 17.2** The Company has only one class of shares referred to as Equity shares having par value of ₹ 2/-. The holder of Equity Share is entitled to one vote per share.
- 17.3** In the event of liquidation of the Company, the residual interest in the company's net assets shall be distributed to the shareholders in the proportion to the equity shares held.
- 17.4** a) During the year, the company has paid a final dividend of ₹ 0.30 per share for FY 17-18 and an interim dividend of ₹ 0.30 per share for FY 18-19 which resulted in a cash outflow of ₹ 277.78 lakhs (previous year ₹ 196.44 Lakhs) inclusive of corporate dividend tax.
- b) The Board of Directors, in its meeting held on 23rd May, 2019 have proposed a final dividend of ₹0.30 per equity share for the financial year ended 31st March 2019. The proposal is subject to the approval of shareholders at the forthcoming Annual General Meeting and if approved would result in cash outflow of approximately ₹138.89 lakhs including corporate dividend tax.
- 17.5** The Company does not have a holding company.

17.6 Shareholders holding more than 5% shares

Name of Shareholders	As at 31 st March 2019		As at 31 st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. N. S. Ghuman	2,994,000	7.80	2,994,000	7.80
O D Finance and Investment Pvt. Ltd.	5,046,978	13.14	5,046,978	13.14
TSL Holdings Limited	5,580,400	14.53	5,580,400	14.53
Angad Estates Pvt. Ltd.	3,310,000	8.62	3,310,000	8.62

18. Other Equity

(₹ in lakhs)

Particulars	Capital Reserve	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2017	0.57	2,637.07	4,102.49	6,740.13
Profit for the year	-	-	1,598.69	1,598.69
Other Comprehensive income for the year (net of tax)	-	-	0.35	0.35
Transactions with owners				
Dividend paid	-	-	(163.21)	(163.21)
Tax on Dividend	-	-	(33.23)	(33.23)
Issue of Bonus Shares	-	-	(384.03)	(384.03)
Balance as at 31st March, 2018	0.57	2,637.07	5,121.06	7,758.70
Profit for the year	-	-	2,307.89	2,307.89
Other Comprehensive income for the year (net of tax)	-	-	(2.75)	(2.75)
Transactions with owners				
Dividend paid	-	-	(230.42)	(230.42)
Tax on Dividend	-	-	(47.36)	(47.36)
Balance as at 31st March, 2019	0.57	2,637.07	7,148.42	9,786.06



Notes on Financial Statements for the period ended 31st March 2019



- i) **Capital reserve** : Reserve is primarily created due to Interest received in Calls in arrears.
- ii) **General reserve** : Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act, 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the General reserves.

19. Borrowings (Non-Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Secured		
From Banks(*)		
Rupee Loan	140.86	134.14
Vehicle Loan	-	0.71
Unsecured		
From Related Parties	603.18	609.31
Total (1)	744.04	744.16

(*)Comprise of Term loan from Indian Bank which is secured by first charge on Plant & Equipment, both present and future and equitable mortgage of Company's Factory Leasehold Land and Building, situated at Chambaghat, Solan, (H.P.) and Vehicle loan from HDFC Bank which is secured by hypothecation of vehicles.

(1) Refer note no. 25 for Current Maturities of long term borrowings

Rupees loan from banks is repayable in equal instalments ending March, 2026 and Unsecured Loan from related party ends in March, 2024.

20. Other Financial Liabilities (Non Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Long term maturity of finance lease obligations	40.06	-
	40.06	-

21. Provisions (Non Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Compensated absence	32.96	29.41
	32.96	29.41

22. Deferred Tax Liabilities (Net)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Deferred Tax Liabilities/ (Assets) in relation to		
Property, Plant and Equipment & Intangible assets	468.04	482.78
Employee Benefits	(10.84)	(9.50)
Debtors	(6.08)	(4.96)
Unabsorbed Loss	(2.03)	(2.03)
Others	(7.04)	(7.43)
Total	442.05	458.86



Notes on Financial Statements for the period ended 31st March 2019



Movement in deferred tax account for the year

Particulars	Charged to PL during the year ended March 2019	Charged to PL during the year ended March 2018
Property, Plant and Equipment & Intangible assets	(14.74)	(98.28)
Employee Benefits	(1.34)	3.18
Debtors	(1.12)	187.40
Unabsorbed Loss	-	0.38
Others	0.39	(7.43)
Total	(16.81)	85.25

23. Borrowings (Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Secured		
From Banks		
Foreign Currency Loan	2,418.72	1,923.27
Rupee Loan	843.22	379.11
	3,261.94	2,302.38

Foreign Currency Loan of ₹ 609.48 Lakhs (Previous Year ₹ 1,923.27 Lakhs) and Rupee Loan of ₹ 711.30 Lakhs (Previous Year ₹ 275.11 Lakhs) from Indian Bank are secured by Hypothecation of inventory, movable properties and Book Debts, both present and future and Equitable mortgage of company's Factory Leasehold Land and Building situated at 16-18, New Electronics Complex, Chambaghat, Solan, Himachal Pradesh.

Foreign Currency Loan of ₹ 1,809.24 Lakhs (Previous Year Nil) and Rupee Loan of ₹ 0.68 Lakhs (Previous Year Nil) from DBS Bank are secured by subservient Charge on current assets and movable fixed assets And First and exclusive charge by way of Equitable Mortgage of factory land and building situated at Kather, Chambaghat, Solan, Himachal Pradesh.

23.1 Changes in Liabilities arising from Financing Activities

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Borrowings at the beginning of the year		
Borrowings (Non Current) (refer note no.19)	744.16	535.93
Current Maturities of Long Term Debt (refer note no.25)	543.18	333.43
Borrowings (Current) (refer note no.23)	2,302.38	1,994.54
Total Borrowings at the beginning of the year	3,589.72	2,863.90
Movement due to cash transactions as per the Statement of Cash flows	985.32	673.96
Movement due to non cash transactions		
Foreign Exchange Movement	(97.76)	51.86



Notes on Financial Statements for the period ended 31st March 2019



Particulars	As at 31 st March 2019	As at 31 st March 2018
Borrowings at the end of the year		
Borrowings (Non Current) (refer note no.19)	744.04	744.16
Current Maturties of Long Term Debt (refer note no.25)	471.30	543.18
Borrowings (Current) (refer note no.23)	3,261.94	2,302.38
Total Borrowings at the end of the year	4,477.28	3,589.72

24. Trade Payables

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Micro, Small and Medium Enterprises (refer note no.40)	9.50	7.14
Related Parties	194.34	52.85
Others	1,259.88	1,680.37
	1,463.72	1,740.36

25. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Current maturities of long-term borrowings (refer note no.19)	471.30	543.18
Interest accrued but not due on borrowings	4.39	10.08
Interest accrued and due on borrowings	5.02	2.08
Unclaimed dividends	8.95	7.14
Employee Benefits Payable	150.30	130.75
Expenses Payable	56.25	98.46
Security Deposit Received	8.09	-
Long term maturity of finance lease obligations	12.90	-
Others	1.07	0.96
	718.27	792.65

26. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Statutory Dues	92.54	69.14
Advance from Customers	71.43	76.88
Advance from Others*	26.26	26.26
	190.23	172.28

*Received against sale of Kandaghat, Solan land (refer note no.4)



Notes on Financial Statements for the period ended 31st March 2019



27. Provisions- Current

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Compensated absence	3.95	2.89
Gratuity	5.35	7.79
	9.30	10.68

28. Current Tax Liabilities

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Provision for Tax (Net of Advance Tax)	150.49	67.85
	150.49	67.85

29. Revenue from Operations

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Sale of products (including Excise Duty)*	19,285.98	15,912.15
Sale of Services	53.17	71.96
	19,339.15	15,984.11

*Excise duty during current year ₹ Nil (Previous Year ₹ 197.72 Lakhs)

Revenue disaggregation by geography is as follows:

Geography

America	5,723.38	4,219.88
Europe	2,479.44	2,020.54
India	8,804.22	7,728.29
Others	2,332.11	2,015.40
	19,339.15	15,984.11

30. Other Income

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Other Operating Revenues	170.64	183.86
Interest Income	0.76	3.34
Rental Income	8.86	3.60
Miscellaneous Income	9.31	43.96
Exchange Fluctuation Gain (Net)	346.98	179.03
Income from fair value changes	0.07	0.22
Liabilities/Provisions Written Back	2.04	1.24
	538.66	415.25



Notes on Financial Statements for the period ended 31st March 2019



31. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Raw Material Consumed	10,865.57	8,953.47
	10,865.57	8,953.47

32. Decrease/(Increase) in Inventories of Finished Goods and Work-in Progress

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Inventory (at Beginning)		
-Finished Goods	602.32	326.05
-Work-in-Progress	1,168.87	664.39
-Scrap	12.87	3.31
	1,784.06	993.75
Inventory (at Close)		
-Finished Goods	1,641.92	602.32
-Work-in-Progress	1,408.41	1,168.87
-Scrap	12.02	12.87
	3,062.35	1,784.06
(Increase)/Decrease	(1,278.29)	(790.31)

33. Employee Benefit Expenses

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Salaries and Wages	1,442.94	1,230.92
Contributions to -		
(i) Provident fund	85.37	72.38
(ii) ESI Contribution	15.19	15.66
(iii) Gratuity Expenses	17.02	16.14
Staff welfare expenses	131.04	112.80
	1,691.56	1,447.90

33.1 Disclosure pursuant to Ind AS 19 “Employee Benefits”:

The disclosures required under Ind AS 19 “Employee Benefits” notified in the Companies (Accounting Standards) Rules 2006, are given below:

- (I) Defined Contribution Plan
 - (a) Provident Fund
 - (b) State defined contribution plans
 - Employees’ Pension Scheme 1995

The Provident Fund and State defined contribution plan are operated by the regional provident fund commissioner. Under the scheme, the company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. These funds are recognized by the Income tax authorities.



Notes on Financial Statements for the period ended 31st March 2019



Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

Particulars	2018-19	2017-18
(a) Employer's Contribution to Provident Fund	57.25	46.15
(b) Employer's Contribution to Pension Scheme	28.12	26.23

(II) Defined Benefit Plan

(a) Gratuity

The employees' Gratuity fund scheme has been managed by Life Insurance Corporation of India and the present value of obligation is determined by Independent Actuary using the Projected Unit Credit (PUC) Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Actuary has carried out the valuation based on the followings assumptions:

Particulars	2018-19	2017-18
Discounting Rate (per annum)	7.65%	7.73%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Expected Average remaining working lives of employees in no. of years	19.87	20.52
Mortality Table	IALM (2006-08)	

(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
(a) Changes in Present Value of Obligation		
Opening balance of Present value of obligation	197.28	172.46
Interest Cost	15.25	13.00
Current Service Cost	16.27	14.70
Benefits Paid	(15.25)	(3.49)
Actuarial (Gain)/Loss arising from change in financial assumption	1.70	(3.79)
Actuarial (Gain)/Loss arising from experience adjustment	2.11	4.40
Closing Balance of Present value of obligation	217.36	197.28
(b) Changes in Fair Value of Plan Assets		
Opening balance of Fair Value of Plan Assets	187.49	153.39
Expected Return on Plan Assets	14.49	11.56
Employer's Contribution	25.35	24.89
Benefits paid	(15.25)	(3.49)
Actuarial Gain/ (Loss) on Plan Assets	(0.07)	1.14
Closing balance of Fair value of Plan Assets	212.01	187.49
Actual return on Plan Assets	14.42	12.70



Notes on Financial Statements for the period ended 31st March 2019



(c) Percentage of each category of Plan Assets to total Fair value of Plan assets		
Administrated by Life Insurance Corporation of India	100%	100%
(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets		
Closing Balance of Present Value of Obligation	217.36	197.28
Closing Balance of Fair Value of Plan Assets	212.01	187.49
(Asset)/ Liability recognised the Balance Sheet	5.35	9.79
(e) Amount Recognised in the Balance Sheet		
Closing Balance of Present Value of Obligation	217.36	197.28
Closing Balance of Fair Value of Plan Assets	212.01	187.49
Funded (Asset)/ Liability recognized in the Balance Sheet	5.35	9.79
Unfunded Liability recognised in the Balance Sheet	-	-
(f) Expenses recognised in the statement of Profit and Loss		
Current Service Cost	16.27	14.70
Interest Cost	15.25	13.00
Expected Return on Plan Assets	(14.49)	(11.56)
Expenses recognized in the statement of Profit and Loss	17.03	16.14
Remeasurement of Defined Benefit Obligation		
Actuarial (Gain)/Loss arising from change in financial assumption	1.70	(3.79)
Actuarial (Gain)/Loss arising from experience adjustment	2.11	4.40
Return on plan assets	0.07	(1.14)
Expenses recognized in the statement of Other Comprehensive Income	3.88	(0.53)
(g) Experience Adjustments		
Experience adjustment on Plan Liabilities (loss)/gain	(3.81)	(0.60)
Experience adjustment on Plan Assets (loss)/ gain	(0.07)	1.14
(h) Sensitivity Analysis of the defined benefit obligation		
a) Impact of the change in discount rate		
Present value of the obligation at the end of the period	217.36	197.28
Impact due to increase of 0.50%	(10.31)	(9.51)
Impact due to decrease of 0.50%	11.15	10.29
b) Impact of the change in salary increase		
Present value of the obligation at the end of the period	217.36	197.28
Impact due to increase of 0.50%	10.52	9.75
Impact due to decrease of 0.50%	(9.86)	(9.11)



Notes on Financial Statements for the period ended 31st March 2019



i) Maturity Profile of Defined Benefit Obligation

Year	Amount
0 to 1 Year	1,574,430
1 to 2 Year	344,618
2 to 3 Year	347,750
3 to 4 Year	846,725
4 to 5 Year	334,457
5 to 6 Year	479,141
6 Year onwards	17,809,222

(b) Compensated Absence

The obligation for compensated absence is recognised in the same manner as Gratuity.

34. Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Interest expense on		
(i) Borrowings	223.32	174.00
(ii) Others	7.78	1.08
(iii) Interest on Income Tax	6.50	6.85
Other Borrowing costs	86.58	75.03
Exchange difference regarded as an adjustment to borrowing cost	37.43	78.86
Total	361.61	335.82
Less: Transferred to CWIP (refer note no 3.3)	3.88	4.69
	357.73	331.13

35. Manufacturing & Other Expenses

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Stores & Spares Consumed	318.05	275.70
Power & Fuel	186.56	189.64
Job Work Expenses	18.83	52.00
Machinery Repairs	272.94	199.28
Research & Development (refer note no.39)	76.13	145.86
Electricity and Water Charges	17.32	12.52
Watch & Ward Expenses	7.67	5.90
Building Repairs	52.98	55.22
Other Repairs	137.42	94.88
Insurance	23.68	13.66
Rent, Rates and Taxes	148.27	127.75
Travelling & Conveyance	108.00	121.32
Printing & Stationery	16.29	15.67
Communication Expenses	17.51	20.97
Professional and Consultancy Charges	261.52	168.99



Notes on Financial Statements for the period ended 31st March 2019



Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Payment to Auditors (refer note no.-35.1)	12.00	15.00
CSR Expenditure (refer note no.-35.2)	28.12	20.73
Miscellaneous Expenses	111.10	45.39
Business Promotion /Development, Advertisement & Publicity	25.24	19.63
Commission on Sales	1,291.45	959.89
Packing Cost	684.46	483.90
Forwarding & Freight	682.49	579.21
Expense on Sale of Property, Plant & Equipment (Net)	4.48	0.01
Expected Credit Losses (refer note 10)	3.91	15.40
Change in Excise Duty on Closing Stock	-	(26.64)
	4,506.42	3,611.88

35.1 Payment to Auditors as:

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Statutory Audit fees	10.00	10.00
Tax Audit Fees*	2.00	5.00
	12.00	15.00

* Includes payments to previous auditors

35.2 CSR Expenditure

(₹ in lakhs)

- (a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the Year is ₹ 27.24 lakhs (Previous Year ₹ 19.95 lakhs)
- (b) Expenditure related to Corporate Social Responsibility is ₹ 28.12 Lakhs (Previous Year ₹ 20.73 Lakhs)
- Amount spent during the year:

Particulars	In Cash	Yet to be paid in Cash	Total
On Construction/Acquisition of any asset	2.12	-	2.12
on Purpose other than the above	26.00	-	26.00

36. Income Tax Expense recognised in the profit and loss account

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Current Tax:		
In respect of the Current Year	958.88	564.82
In respect of the Previous Year	-	(62.77)
Deferred Tax:		
In respect of the Current Year	(16.81)	85.25
Income Tax Expense recognised in the Statement of Profit & Loss	942.07	587.30
Other Comprehensive Income Section		
Tax related to items that will not be reclassified to profit and loss account	1.13	(0.18)



Notes on Financial Statements for the period ended 31st March 2019



Effective Tax Reconciliations

Particulars	As at 31 st March 2019	As at 31 st March 2018
Profit before tax	3,249.96	2,185.99
Applicable Tax rate	29.12%	34.608%
Computed tax expense	946.39	756.53
Tax effect of;		
Income Exempt from taxation	(0.11)	0.08
Weighted deduction on research and development expenditure	(11.08)	(25.24)
Expense Disallowed	15.28	5.22
Deductions Allowed under Income Tax	(8.06)	
Depreciation	-	
Effect of change in tax rate	-	(86.27)
Earlier year tax	-	(62.77)
Others	(0.35)	(0.25)
Tax Expense recognised in Statement of Profit and Loss	942.07	587.30

37. Earnings Per Share

Particulars	As at 31 st March 2019	As at 31 st March 2018
Net Profit attributable to shareholders (₹ in lakhs)	2,305.14	1,599.04
Weighted average number of equity Shares	38,402,800	38,402,800
Basic and Diluted Earnings per share (₹)	6.00	4.16
Face Value per Equity Share (₹)	2	2

38. Contingent Liabilities in respect of:

Particulars	As at 31 st March 2019	As at 31 st March 2018
(A) Contingent Liabilities		
<u>(I) Claim Against the Company Not Acknowledged as Debts*</u>	35.40	17.87
<u>(II) Guarantees</u>		
a. Letters of Credit/Bank Guarantee established by the bank	509.37	978.68
b. Corporate Guarantee(s) on behalf of JV/ Associate Company [#]	966.50	966.50
c. Surety with Sales Tax Department	5.00	5.00
<u>(III) Other Money for which the Company is Contingently Liable</u>		
a. Buyers Credit Interest payable	2.95	4.45
b. Customs duty on Material imported against Advance License / Annexure, for pending export obligation	1,301.19	528.91
c. Custom Duty in respect of Material Lying in Bonded Warehouse and Material in Transit.	183.34	75.07

*Demand raised by Central Excise & Service Tax Commissionerate towards Cenvat Credit of excise duty ₹17.87 lakhs (Previous Year ₹ 17.87 lakhs) and demand raised by Excise and Taxation Officer, Solan towards the demand of VAT of ₹17.53 lakhs. However the management of the Company is of the view that the demand is not enforceable against the Company, being bad in law.

[#]Includes guarantee(s) for aggregate of ₹ 550 Lakhs which are pending for cancellation, as such the same are defunct, operationally.



Notes on Financial Statements for the period ended 31st March 2019



(B) Commitments

Estimated amount of contracts (net of advances) exceeding ₹ 1.00 lakh in each case remaining to be executed on capital account and not provided for 407.33 156.41

39. Details of Research and Development Expenditure

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Capital	-	91.97
Revenue	76.13	53.89
Total	76.13	145.86

40. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006

(MSMED Act, 2006) and based on the information available with the Company, the following are the details:

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	9.50	7.14
The amount of interest paid by the buyer in terms of section 16, of the micro, small and medium enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under micro, small and medium enterprise development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied by the auditors.

41. Leases

The Company's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months to 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹ 140.24 lakhs (Previous Year ₹ 100.47 lakhs) has been included under "Rent, Rates and Taxes" expense in note 35.

Assets Acquired under finance lease:



Notes on Financial Statements for the period ended 31st March 2019



Future Minimum lease payments and their present values under finance lease are as follows:

Particulars	Minimum Lease Payments		Present Value of Minimum Lease payments		Future Expense	
	Year Ended March 19	Year Ended March 18	Year Ended March 19	Year Ended March 18	Year Ended March 19	Year Ended March 18
Not later than one year	13.01	-	12.90	-	0.11	-
Later than one year but not later than five years	52.06	-	40.06	-	12.00	-
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sublease payments.

42. The Company's activities involve predominantly one operating segment i.e. Process and product Engineering, which are considered to be within a single operating segment since these are subject to similar risks and returns. Accordingly, Process and Product Engineering comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by Ind AS 108- Segment Reporting has been disclosed as below.

a) **Revenue from Operations** (₹ in lakhs)

Particulars	India		Rest of world		Total	
	Year Ended March 19	Year Ended March 18	Year Ended March 19	Year Ended March 18	Year Ended March 19	Year Ended March 18
Segment Revenue	8,804.22	7,728.29	10,534.93	8,255.82	19,339.15	15,984.11

b) **Non Current Operating assets**

All Non Current Assets other than financial instruments, deferred tax assets of the company are located in India.

43. **“Related Party Disclosure” for the year ended 31st March, 2019 in accordance with Ind AS 24:**

- (i) **List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

Sr. No.	Name of Related Party	Relationship
1.	Checon Shivalik Contact Solutions Pvt. Ltd.	Joint Venture
2.	Innovative Clad Solutions Pvt. Ltd.	
3.	Shivalik Bimetal Engineers Pvt. Ltd.	Associate
4.	Mr. S. S Sandhu	Key Managerial Personnel (KMP)
5.	Mr. N. S. Ghumman	
6.	Mr. Rajeev Ranjan	
7.	Ms. Aarti Jassal	
8.	Mr. Kabir Ghumman	Relative of Key Managerial Personnel
9.	Mr. Sumer Ghumman	
10.	TSL Holdings Ltd.	Enterprises over which Key Managerial Persons are able to exercise significant influence
11.	Angad Estates Pvt. Ltd.	
12.	Amar Engineering Company Pvt. Ltd.	
13.	Ultra Portfolio Management Pvt. Ltd.	
14.	O.D. Finance and Investment Pvt. Ltd.	
15.	ABS Foundation	
16.	Mr. Rohit Kapoor	Directors
17.	Mr. Nirmaljeet Singh Gill	
18.	Capt. J.S.Mann (Retd.) [#]	
19.	Lt. Gen. Pradeep Khanna	
20.	Mr. Gurmeet Singh Gill	
21.	Ms. Harpreet Kaur	

[#] Capt. J.S. Mann (Retd.), Independent Director of the Company passed away on May 31, 2019.



Notes on Financial Statements for the period ended 31st March 2019



(ii) Transactions during the year with related parties:

Sr. No.	Nature of Transactions	Joint Venture	Associates	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence	Directors
1.	Job Work Income	11.02 (4.77)					
2.	Rent Received		3.78 (3.60)				
3.	Job Work Expense	0.20	98.41 (57.31)				
4.	Goods Sold	3.29 (10.98)					
5.	Other Income	3.06 -					
6.	Goods Purchased	622.74 (328.40)	76.30 (70.34)				
7.	Reimbursement of Expenses(Net)	2.14 (5.16)	- -			1.88 -	
8.	Investment	96.60 -					
9.	Managerial Remuneration			513.12 (388.28)			
10.	Sitting Fees						0.81 (0.64)
11.	Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit.				49.99 (38.62)		
11.1	Gratuity and Earned Leave Benefits				1.13 (1.33)		
12.	Rent Paid				5.07 (3.80)	100.33 (80.20)	
13.	CSR Expenditure					21.00 (9.00)	
14.	Unsecured Loans					1,040.00 (666.00)	
	i) Taken						
	ii) Repaid					989.15 (230.62)	
15.	Finance Costs					127.60 (86.78)	

Balances as at 31st March 2019

16.	Investments	1,001.48 (904.88)	22.28 (22.28)				
17.	Security Deposits					13.50 (13.50)	
18.	Unsecured Loans					970.00 (919.10)	
19.	Payable	(151.37) (4.71)	42.98 (47.74)		- (0.41)		
20.	Receivable	1.55 (1.92)					

Figures in () indicate previous year's figures.



Notes on Financial Statements for the period ended 31st March 2019



44. FINANCIAL INSTRUMENTS

44.1 Capital Management

The Company's capital management objectives are;

- to maintain healthy Credit rating, Capital Ratios and Leverage.
- to maximise return to the Shareholders.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings.

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Long term Borrowings (Incl Current Maturities)	1,224.74	1,299.50
Short Term Borrowings	3,261.94	2,302.38
Less: Cash and cash equivalents	39.10	22.58
Less: Bank Balance other than Cash and Cash Equivalents	9.72	12.51
Less: Investment in Gold Coins	30.57	30.57
Net debt	4,407.29	3,536.22
Total equity (as shown on the face of balance sheet)	10,554.12	8,526.76
Net debt to equity ratio (Gearing Ratio)	42%	41%

44.2 Financial Instruments by categories

(₹ in lakhs)

Particulars	As at 31 st March 2019			As at 31 st March 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments*	3.69	-	-	3.61	-	-
Loans receivables	-	-	39.58	-	-	36.07
Trade receivables	-	-	3,457.54	-	-	3,359.03
Cash and cash equivalents	-	-	39.10	-	-	22.58
Other bank balances	-	-	9.72	-	-	12.51
Other Financial Assets	-	-	2.75	-	-	1.19
Total	3.69	-	3,548.69	3.61	-	3,431.38
Financial liabilities						
Borrowings	-	-	4,486.68	-	-	3,601.88
Trade payable	-	-	1,463.73	-	-	1,740.36
Other financial liabilities	-	-	277.63	-	-	237.31
Total	-	-	6,228.04	-	-	5,579.55

Fair Value Measurement

- i) Carrying amount of financial assets and financial liabilities recorded at amortized cost approximates their fair value.
- ii) Investment in Equity instrument of other companies is measured at its fair value using Level 3 valuation techniques.



Notes on Financial Statements for the period ended 31st March 2019



44.3 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk, Foreign Currency Risk and credit risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the company. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

44.4 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. The company has a policy of only dealing with credit worthy parties and obtain sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

The Company provides for expected credit losses based on the following:

The company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables.

Particulars	As at 31 st March 2019		As at 31 st March 2018	
	>3 Years	0-3 Years	>3 Years	0-3 Years
Gross amount of trade receivables where no default (as defined above) has occurred	-	3,478.43	-	3,376.06
Expected loss rate	-	0.60%	-	0.50%
Expected credit loss (loss allowance provision)	-	20.88	-	17.03



Notes on Financial Statements for the period ended 31st March 2019



Reconciliation of loss provision – lifetime expected credit losses	
Loss allowance as on 1 st April 2017	555.83
Impairment loss recognised during the year	15.40
Amounts written off	554.20
Loss allowance on 31 st March 2018	17.03
Impairment loss recognised during the year	3.91
Amounts written off	0.06
Loss allowance on 31 st March 2019	20.88

44.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management measures involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these obligations.

Maturities of financial liabilities

The tables below analyses the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. For balances due within 12 months amounts equal their carrying values as the impact of discounting is not significant.

(₹ in lakhs)

As at 31st March 2019	Less than 1 year	1-2 years	2-3 year	More than 3 years	Total
Long term borrowings (including interest)	480.70	303.37	235.80	204.87	1,224.74
Short term borrowings	3,261.94	-	-	-	3,261.94
Trade payable	1,463.73	-	-	-	1,463.73
Other financial liabilities	277.63	-	-	-	277.63
Total	5,484.00	303.37	235.80	204.87	6,228.04

As at 31st March 2018	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Long term borrowings (including interest)	555.35	388.17	192.68	163.30	1,299.49
Short term borrowings	2,302.38	-	-	-	2,302.38
Trade payable	1,740.36	-	-	-	1,740.36
Other financial liabilities	237.31	-	-	-	237.31
Total	4,835.40	388.17	192.68	163.30	5,579.54

44.6 Market Risk

The company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The company seeks to minimize the effects of these risks by minutely observing the variation and fluctuation on regular basis. Compliance of exposure volume is reviewed by the management on real time basis and taking corrective measures as and when required.



Notes on Financial Statements for the period ended 31st March 2019



44.7 Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. The exchange rate between the Indian rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/depreciates against the currencies. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company.

(i) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period are as follows

(₹ in lakhs)

Particulars	FC	As at 31 st March 2019		As at 31 st March 2018	
		FC (Nos)	Amount	FC (Nos)	Amount
Financial Liabilities					
Loans	EURO	2,379,732	1,849.11	1,668,487	1,345.17
	USD	823,475	569.61	855,193	556.25
Creditors	EUR	183,037	142.22	162,797	131.25
	USD	601,371	415.98	1,167,894	759.65
	GBP	9,898	8.96	-	-
Others	EUR	2,932	2.28	1,336	1.08
	USD	834	0.58	7,036	4.58
Financial assets					
Debtors	EUR	494,021	383.86	562,657	453.63
	USD	1,879,651	1,300.18	1,799,061	1,170.18
Cash & Bank Balance	EUR	2,586	2.01	687	0.55
	USD	5,299	3.67	6,663	4.34
Net exposure to foreign currency risk	EUR	2,069,094	1,607.74	1,269,276	1,023.32
	USD	(459,270)	(317.68)	224,399	145.96
	GBP	9,898	8.96	-	-

Sensitivity analysis of 5% change in the exchange rate at the end of reporting period

Particulars	As at 31 st March 2019	As at 31 st March 2018
5% Depreciation in INR		
USD sensitivity	(317.68)	145.96
Impact on Equity and Profit and Loss	15.88	(7.30)
Euro Sensitivity	1,607.74	1,023.32
Impact on Equity and Profit and Loss	(80.39)	(51.17)
5% Appreciation in INR		
USD sensitivity	(317.68)	145.96
Impact on Equity and Profit and Loss	(15.88)	7.30
Euro Sensitivity	1,607.74	1,023.32
Impact on Equity and Profit and Loss	80.39	51.17



Notes on Financial Statements for the period ended 31st March 2019



44.8 Interest rate risk

i) Liabilities

Interest rate risk is the risk that the fair value or future cash flows of a financial Assets/Liabilities because of changes in market interest rates. The company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in marginal cost of fund based lending rate (MCLR) and LIBOR rates.

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Variable rate borrowing	3,261.94	2,302.38
Fixed rate borrowing	1,224.74	1,299.51
Total borrowings	4,486.68	3,601.89

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
	Equity and Profit & Loss Account	Equity and Profit & Loss Account
Interest sensitivity*		
Interest rates – increase by 1%	(32.62)	(23.02)
Interest rates – decrease by 1%	32.62	23.02

44.9 Price Risk

The Company does not have significant exposure to price risk on its financial assets and liabilities.



INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS



To the Members of

Shivalik Bimetal Controls Limited

Report on the Audit of Consolidated (Ind AS) Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Shivalik Bimetal Controls Ltd.** (“the Parent Company”), and its Joint Ventures and Associates (Parent Company with its Associates & Joint Ventures together referred to as “Group”) which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as “the Consolidated Ind AS Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements gives the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, and consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) as specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters (‘KAM’) are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

The Key audit matters	How our audit addressed the key audit matters
<p>Refund of Indirect Taxes Paid on Exports</p> <p>The amount is grouped under the head “Other Current Assets” in respect of IGST paid on Export the refund of which is pending to be received.</p> <p>Refer Note No 15 to Consolidated Ind AS Financial Statements</p>	<p><u>Principal Audit Procedures</u></p> <p>On the basis of our expert internal evaluation we have reviewed and analyzed the nature of amount refundable and its sustainability and likelihood of recoverability upon final resolution.</p>
<p>Uncertain tax Positions</p> <p>The Group has uncertain tax positions including matters under dispute which involve significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 38(A) (1) of Consolidated Ind AS financial Statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>We performed the following substantive procedures:</p> <p>Obtained details of completed tax assessments and demands till the year ended March 31, 2019 from management. We critically analyzed the management’s underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management’s position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management’s position on these uncertainties.</p>



INDEPENDENT AUDITORS' REPORT

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Ind AS consolidated Ind AS financial Statements that give a true and fair view of the consolidated state of affairs, consolidated profit / loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the companies (Indian Accounting Standard) Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of consolidated Ind AS financial statements by the directors of the parent company.

In preparing the Consolidated Ind AS financial statements, respective management and Board of Directors of the company in the group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies in the group is also responsible for overseeing the Company's financial reporting process of each company.

Auditor's Responsibilities for the Audit of Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind As financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.



INDEPENDENT AUDITORS' REPORT



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind As financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the parent company and other entities in the group regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance respectively, with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Ind AS financial statements includes the share of Net Profit (and other comprehensive income) of ₹ 2,458.70 lakhs for the year ended March 31, 2019 as considered in consolidated Ind AS financial statements in respect of one Joint Venture and one Associate whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amount and disclosures included in respect of its joint ventures and associates, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid joint ventures and associates is based solely on the audit reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our report and on the consideration of reports of the other auditors on separate financial statements of such joint ventures and associates as were audited by other auditor's as noted in the Other Matter paragraph, we report, to the extent applicable, that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial Statements;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books; and report of other Auditor's.
 - c. the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of Changes in Equity and Statement of Consolidated Cash Flow with by this Report are in agreement with the books of account;



- d. in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. on the basis of written representations received from the directors as on 31st March, 2019, and taken on record by the Board of Directors of the parent company and the reports of the statutory auditors of its joint ventures and associates incorporated in India, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on 31st March, 2019, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A” and
- g. In our opinion, the managerial remuneration for the year ended 31st March, 2019 has been paid / provided by the company to its directors in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- h. with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the joint venture and associates as noted in the ‘Other Matter’ paragraph:
- The Consolidated Ind AS financial statements disclose the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements-Refer Note 38(A) (1) to the financial statements;
 - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Arora Gupta & Co.
Chartered Accountants
Firm Registration No:- 0021313C

Sd/-
Amit Arora
Partner

Membership No:- 514828
UDIN : 19514828AAAABA6914

Place : New Delhi
Dated : August 12, 2019



ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



Annexure - A to the Independent Auditors' Report on Consolidated Ind AS financial statements of Shivalik Bimetal Controls Limited

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Shivalik Bimetal Controls Limited (hereinafter referred to as "the Company") and its jointly controlled companies & associate company, which are companies incorporated in India, as of that date. Reporting under clause (1) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to two jointly controlled companies and one associate namely, Checon Shivalik Contact Solutions Private Limited (Jointly controlled company), Innovative Clad solutions Private Limited (Jointly controlled Company) and Shivalik Bimetal Engineers private limited (Associate), respectively.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its jointly controlled companies & associate company, which are companies incorporated in India, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of adequacy of Internal financial controls over financial reporting is applicable, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A



ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT



company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its jointly controlled companies & associate company, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting reference to these consolidated Ind AS financial statements in so far as it relates to Jointly Controlled company and associate, which are companies incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For Arora Gupta & Co.
Chartered Accountants
Firm Registration No: 021313C

Sd/-
Amit Arora
Partner

M.No. 514828

UDIN : 19514828AAAABA6914

Place : New Delhi
Dated : August 12, 2019

SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

CONSOLIDATED BALANCE SHEET as at 31st March 2019



(₹ in lakhs)

	Notes	As at 31 st March 2019	As at 31 st March 2018
I. ASSETS			
Non-current assets			
(a) Property, Plant & Equipment	3	4,518.80	4,512.41
(b) Capital Work-In-Progress	3	536.54	408.11
(c) Intangible assets	3.7	11.29	7.48
(d) Intangible Assets Under Development	3.7	62.02	63.74
(e) Financial Assets			
(i) Investments	5	1,066.21	775.32
(ii) Loans receivables	6	38.43	34.32
(iii) Other Financial Assets	7	-	0.55
(f) Other Non Current Assets	8	31.63	50.98
Total Non Current Assets		6,264.92	5,852.91
Current assets			
(a) Inventories	9	6,926.74	4,060.09
(b) Financial Assets			
(i) Trade receivables	10	3,457.54	3,359.03
(ii) Cash and cash equivalents	11	39.10	22.58
(iii) Other Bank Balances	12	9.72	12.51
(iv) Loans receivables	13	1.15	1.75
(v) Others Financial Assets	14	2.75	0.64
(c) Other current assets	15	736.75	1,173.16
(d) Current Tax Assets	16	15.42	15.42
Total Current Assets		11,189.17	8,645.18
Asset Classified as held for sale	4	191.86	191.86
TOTAL ASSETS		17,645.95	14,689.95
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	768.06	768.06
(b) Other Equity	18	9,712.08	7,531.15
Total Equity		10,480.13	8,299.21
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	744.04	744.16
(ii) Other Financial Liabilities	20	40.06	-
(b) Provisions	21	32.96	29.41
(c) Deferred tax liabilities (Net)	22	554.81	530.97
Total Non-Current Liabilities		1,371.87	1,304.54
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	3,261.94	2,302.38
(ii) Trade payables			
a) Outstanding dues of micro enterprises and small enterprises	24	9.50	7.14
b) Outstanding dues of creditors other than micro enterprises and small enterprises	24	1,454.22	1,733.22
(iii) Other Financial Liabilities	25	718.27	792.65
(b) Other current liabilities	26	190.23	172.28
(c) Provisions	27	9.30	10.68
(d) Current Tax Liabilities	28	150.49	67.85
Total Current Liabilities		5,793.95	5,086.20
TOTAL EQUITY AND LIABILITIES		17,645.95	14,689.95

The accompanying notes form an integral part of the standalone financial statements. 1 to 43

As per our report of even date

For Arora Gupta & Co.

Chartered Accountants

FRN No.021313C

For and on Behalf of the Board

Sd/-
AMIT ARORA
Partner
M.No.514828

Sd/-
RAJEEV RANJAN
Chief Financial Officer

Sd/-
AARTI JASSAL
Company Secretary
M.No. A25690

Sd/-
N.S. GHUMMAN
Managing Director
DIN 00002052

Sd/-
S.S. SANDHU
Chairman
DIN 00002312

Place : New Delhi

Date : August 12, 2019

SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended on 31st March, 2019



		(₹ in lakhs, except per share data)	
		Year Ended 31 st March 2019	Year Ended 31 st March 2018
I	Revenue from operations	29	19,339.15
II	Other income	30	538.66
III	Total Revenue (I + II)	19,877.81	16,399.36
IV	Expenses		
	(a) Cost of materials consumed	31	10,865.57
	(b) Changes in Inventories of Finished Goods and work-in-progress	32	(1,278.29)
	(c) Excise Duty		197.72
	(d) Employee benefits expense	33	1,691.56
	(e) Finance costs	34	357.73
	(f) Depreciation & Amortisation	3	484.86
	(g) Other expenses	35	4,506.42
	Total expenses	16,627.85	14,213.37
V	Profit/(loss) before tax (III-IV)	3,249.96	2,185.99
VI	Share of Profit/ (Loss) of an Associate/ a Joint Venture		195.28
		3,445.24	2,261.84
VII	Tax expense		
	(a) Current tax	36	958.88
	(b) Current tax related to previous years	36	-
	(c) Deferred tax	36	23.84
	Total	982.72	609.23
VIII	Profit/(Loss) for the years (V-VI)	2,462.52	1,652.61
IX	Other Comprehensive Income		
	i. Items that will not be reclassified to Statement of Profit and Loss		
	- Remeasurement of defined benefit obligation		(3.88)
	- Income tax on above		1.13
	-Share of Other Comprehensive Income in Associates and Joint Ventures		(1.07)
X	Total Comprehensive Income for the Period (VII+VIII)	2,458.70	1,653.69
XI	Earnings per equity share		
	(a) Basic (₹)	37	6.40
	(b) Diluted (₹)	37	6.40
	The accompanying notes form an integral part of the standalone financial statements.	1 to 43	

As per our report of even date

For Arora Gupta & Co.

Chartered Accountants

FRN No.021313C

For and on Behalf of the Board

Sd/-
AMIT ARORA
Partner
M.No.514828

Sd/-
RAJEEV RANJAN
Chief Financial Officer

Sd/-
AARTI JASSAL
Company Secretary
M.No. A25690

Sd/-
N.S. GHUMMAN
Managing Director
DIN 00002052

Sd/-
S.S. SANDHU
Chairman
DIN 00002312

Place : New Delhi

Date : August 12, 2019



SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

CONSOLIDATED CASH FLOW STATEMENT for the year ended on 31st March, 2019



(₹ in lakhs)

	Year Ended 31 st March 2019	Year Ended 31 st March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	3,445.24	2,261.84
Adjustments for:		
Depreciation and amortisation expense	484.86	461.58
Share of Profit/(Loss) of an Associate/ a Joint Venture	(195.28)	(75.85)
Interest Expense	357.73	331.13
Interest Income	(0.76)	(3.34)
Net (Gain)/loss arising on financial instruments designated as FVTPL	(0.07)	(0.22)
Amount Written Back	(2.04)	(1.24)
Unrealised foreign exchange loss/(gain) on borrowings	(97.76)	51.86
Loss Allowance for doubtful receivables	3.91	15.40
(Profit)/Loss on sale of Property,Plant and Equipment	4.48	0.01
Dividend received	(0.30)	(0.24)
Operating Profit before Working Capital changes	4,000.01	3,040.93
Adjustment for :		
Trade receivables	(102.42)	(732.83)
Inventories	(2,866.65)	(1,453.58)
Trade Payables	(274.59)	924.84
Other Assets	439.76	(635.92)
Other Liabilities	56.45	(72.13)
Provisions	(1.72)	(34.17)
Cash generated from operations	1,250.84	1,037.14
Income Tax paid	(875.11)	(472.94)
Net Cash generated from operating Activities (A)	375.73	564.20
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Property Plant and Equipment & Intangible assets including capital advances & CWIP	(625.80)	(759.62)
Proceeds from Sale of Property Plant and Equipment	12.82	43.40
Interest Income	1.21	7.12
Dividend Received	0.30	0.24
Investment In Joint Venture	(96.60)	-
Net cash (used in)/ from investing activities (B)	(708.07)	(708.86)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term Borrowings*	1,150.30	757.28
Repayment of long term Borrowings*	(1,222.30)	(339.30)
Proceeds from short term Borrowings (net)*	1,057.32	255.98
Interest Paid	(360.49)	(328.81)
Dividend (Including Dividend Tax Paid)	(274.32)	(193.08)
Unclaimed Dividend transferred to Investor Protection Fund	(1.64)	(2.75)
Net Cash generated from financing activities (C)	348.86	149.32
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	16.52	4.66
Cash and Cash Equivalents (Opening Balance)	22.58	17.92
Cash and Cash equivalents (Closing Balance)	39.10	22.58

* Refer note no. 23.1 for changes in liabilities due to financing activities

The accompanying notes form an integral part of the standalone financial statements.

1 to 43

As per our report of even date

For and on Behalf of the Board

For Arora Gupta & Co.

Chartered Accountants

FRN No.021313C

Sd/-
AMIT ARORA
Partner
M.No.514828

Sd/-
RAJEEV RANJAN
Chief Financial Officer

Sd/-
AARTI JASSAL
Company Secretary
M.No. A25690

Sd/-
N.S. GHUMMAN
Managing Director
DIN 00002052

Sd/-
S.S. SANDHU
Chairman
DIN 00002312

Place : New Delhi

Date : August 12, 2019



SHIVALIK BIMETAL CONTROLS LIMITED

CIN:L27101HP1984PLC005862

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2019



Consolidated Statement of Changes in Equity

A. Equity Share Capital

(₹ in lakhs)

As at 1 st April 2017	Movement During the Year	As at 31 st March 2018	Movement During the Year	As at 31 st March 2019
384.03	384.03	768.06	-	768.06

B. Other Equity

(₹ in lakhs)

Particulars	Capital Reserve	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2017	0.57	2,637.07	3,820.29	6,457.93
Profit for the year	-	-	1,652.61	1,652.61
Other Comprehensive income for the year	-	-	1.08	1.08
Transactions with owners				
Dividend	-	-	(163.21)	(163.21)
Tax on Dividend	-	-	(33.23)	(33.23)
Transfer to General Reserves	-	-	(384.03)	(384.03)
Balance as at 31st March,2018	0.57	2,637.07	4,893.51	7,531.15
Profit for the year	-	-	2,462.52	2,462.52
Other Comprehensive income for the year	-	-	(3.82)	(3.82)
Transactions with owners				
Dividend	-	-	(230.41)	(230.41)
Tax on Dividend	-	-	(47.36)	(47.36)
Balance as at 31st March,2019	0.57	2,637.07	7,074.43	9,712.08

The accompanying notes form an integral part of the standalone financial statements.

1 to 43

As per our report of even date

For Arora Gupta & Co.

Chartered Accountants

FRN No.021313C

For and on Behalf of the Board

Sd/-
AMIT ARORA
Partner
M.No.514828

Sd/-
RAJEEV RANJAN
Chief Financial Officer

Sd/-
AARTI JASSAL
Company Secretary
M.No. A25690

Sd/-
N.S. GHUMMAN
Managing Director
DIN 00002052

Sd/-
S.S. SANDHU
Chairman
DIN 00002312

Place : New Delhi

Date : August 12, 2019



SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2019)



1. COMPANY'S OVERVIEW

Shivalik Bimetal Controls Limited ("the Company" or "the parent Company") is a widely-held public limited Company which was incorporated in the year 1984 and has been in commercial production since October 1986. The company has manufacturing units located at Chambaghat, Solan, in the state of Himachal Pradesh, India. The Company's shares are listed on Bombay Stock Exchange. The consolidated financial statements of the Company as at and for the year ended on 31st March 2019 comprise the financial statements of the Company and its Joint Venture's & Associate. (The Parent Company, Joint Ventures & Associates together referred to as "the Group").

The Company is engaged in the business of manufacturing & sales of Thermostatic Bimetal / Trimetal strips, components, Spring Rolled Stainless Steels, EB welded products with multigauge, Cold Bonded Bimetal Strips and Parts etc. The Company is specialized in joining of materials through various methods such as Diffusion Bonding/Cladding, Electron Beam welding, Solder Reflow and Resistance Welding etc., and offers precision manufactured components specific to the application requirements and a single vendor to many prestigious OEM's since 1986 and have successfully met the most stringent of demands set by multiple large global organizations. The application of the Company's products are mainly in Switchgears, Circuit Breakers and various other Electrical and Electronic devices. The Company's products are exported to over 40 Countries around the world.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below.

2.1 Statement of Compliance with Ind ASs

The Consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting standards ('Ind AS'), notified under Section 133 read with rule 3 of Companies (Indian Accounting Standards) Rules 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions of the Companies Act, 2013 (Collectively, "Ind ASs").

All the amounts included in the financial statements are reported in Lakhs of Indian Rupees except per share data unless stated otherwise.

2.2 Basis of Preparation of Consolidated Financial Statements

The Consolidated financial statements are prepared, under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Principles of Consolidation

The Financial Statements of the Group are consolidated as per the prescribed guidelines in Ind AS; The financial statements of the joint ventures and the associate used for the purpose of consolidation are drawn upto the same reporting date as that of the holding company, i.e. 31st March, 2019.

Investment in Associate and Joint Ventures has been accounted under the Equity Method as per Ind AS 28- "Investment in Associates and Joint Ventures".

The Group accounts for its share of Post-Acquisition changes in net assets of associates and joint ventures, after eliminating unrealized profits and losses resulting from transactions between the Company and its Associate and Joint Ventures.



SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2019)



2.4 Use of Estimates and Judgements

The preparation of Consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported balance of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period.

Management believes that the estimates used in the preparation of Consolidated financial statements are prudent and reasonable. Accounting estimates could change from period to period. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include primarily useful lives of "Property, plant and equipment", "Provision for employee benefits" and "other provisions", "Recoverability of deferred tax assets", "Commitments and contingencies".

2.5 Revenue

The group has adopted and applied Ind AS 115 "Revenue from contract with Customers", w.e.f 1st April 2018, which establishes a comprehensive framework for determining 'whether', 'how much' and 'when' the revenue is to be recognized. The group has adopted Ind AS 115 using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated. The impact of adoption of the standard on the financial statements of the Group is insignificant.

Revenue is recognized upon satisfaction of the performance obligation by transferring the control promised product or provision of service to a customer in an amount that reflects the consideration which a company expects to receive in exchange for those products or service.

Revenue is recognized net of returns and is measured based on the transaction price, which is the consideration, adjusted for trade discounts, incentives etc agreed as a term of contract. Revenue also excludes taxes collected from customers.

Income from Interest is recognised using Effective Interest rate method. Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Export Incentive Entitlements are recognised as Income when right to receive credit as per the terms of the scheme is established in respect of eligible exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Use of significant judgements in revenue recognition

The groups's contracts with customers could include promises to transfer multiple products and services to a customer. The group assesses the products /services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence



SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2019)



that they pertain to one or more distinct performance obligations.

The group uses judgement to determine an appropriate standalone selling price for a performance obligation. The group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

The group exercises judgement in determining whether the performance obligation is satisfied at a point in time. The group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

2.6 Foreign Currency Transactions

The functional and presentation currency of the group is Indian Rupee (“₹”) which is the currency of the primary economic environment in which the group operates.

The transactions in the currencies other than the entity's functional currency (foreign currency's) are accounted for at the exchange rate prevailing on the transaction's date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at closing rates of exchange at the reporting date and the resultant difference is charged/ credited in Statement of Profit & Loss account.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Additionally, exchange gains or losses arising on reinstatement of foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of qualifying assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated on reporting date.

2.7 Borrowing Costs

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenses in the period in which they are incurred.

All other Borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred

Borrowing costs include interest and exchange difference arising from currency borrowing to the extent they are regarded as an adjustment to the interest cost.

2.8 Government Grant and Assistance

Government grants are assistance by government in the form of transfer of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity and the same are not recognised until there is reasonable assurance that the group will comply with the conditions attached to them and that the grants will be received.

Grants relating to purchase of Property, Plant and Equipment are presented by deducting the grant from carrying amount of related assets.



SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2019)



2.9 Employees' Benefits

Defined Contribution Plans:

The Company has contributed to State Governed Provident Fund scheme, Employees State Insurance scheme and Employee Pension Scheme which are defined contribution plans. Contribution paid or payable under the scheme is recognized as expense during the period in which employees have rendered the service entitling them to the contributions.

Defined Benefit Plans:

The employees' gratuity is a defined benefit plan. The present value of the obligation under such plan is determined based on the Actuarial Valuation using the projected unit credit method which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the financial obligation. The Company has an employee gratuity fund managed by Life Insurance Corporation of India (LIC). The gains or losses are charged to Profit and Loss Account.

Liability in respect of leave encashment is provided based on Actuarial Valuation using the projected unit credit method.

Compensation to employees, who opted for retirement under the Voluntary Retirement Scheme of the company, is charged to the statement of Profit & Loss in the year of exercise of option by the employee.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income

2.10 Taxes on Income

Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits/ benefits computed in accordance with the provisions of the Income Tax Act 1961.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they are relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted at the balance sheet date.



SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2019)



2.11 Property, Plant and Equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts, if any and rebates, import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing cost attributable to the Qualifying Asset.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses., if any.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on estimate of their specific useful lives.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

Capital work-in-progress represents the cost of Property Plant and Equipment that are not yet ready for their intended use at the reporting date.

The group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Cost of in-house assembled/fabricated fixed assets comprise those costs that relate directly to the specific assets and other costs that are attributable to the assembly/fabrication thereof.

Depreciation on Fixed Assets is provided based on useful lives of assets as prescribed in Schedule-II to Companies Act 2013 except in respect of followings assets where estimated useful life is different than these mentioned in Schedule II are as follows:-

i)	Plant & Machinery	15-30 years
ii)	Dies & Tools	2 years
iii)	Assets costing below ₹ 5,000/-	1 year
iv)	Computer Software	3 Years
v)	Temporary Building Shed	2 Years
vi)	Machinery Spares	3-10 Years
vii)	Leasehold Land	Lease term



SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2019)



2.12 Intangible Assets

Intangible assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated depreciation or amortization and impairment, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives.

2.13 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

Cost of Inventories are determined as follows;

- Raw materials, stores and spares: At cost, on “FIFO” basis;
- Work-in-progress: At cost plus related cost of conversion including appropriate overheads;
- Finished goods: At cost plus related cost of conversion including appropriate overheads
- Saleable Scrap is valued at estimated realizable value

However in case of one of the Joint Ventures, M/s Checon Shivalik Contact Solutions (P) Limited, the work in progress and finished goods are valued at weighted average cost formula.

Raw Material and other supplies held for use in the production of finished products are not written down below cost , except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on item by item basis.

2.14 Impairment of non financial assets

The Carrying amounts of assets are reviewed at each Balance Sheet date and if there is any indication to the effect that the recoverable amount of the Asset/ CGU (Cash Generating Unit) is less than its carrying amount, the difference is treated as “Impairment Loss”. The recoverable amount is greater of the asset's net selling price less cost to sell and value in use.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired,the impairment loss is recognised in the statement of profit and loss account.

2.15 Leases.

At inception of an arrangement, it is determined whether an arrangement is or contains a lease. If it is a lease arrangement , it is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases : Assets leased the the company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the company are classified as finance lease. A finance lease is recognized as an asset and a liability at the commencement of the lease,at the lower of the fair value of the asset and the present value of minimum lease payments. Minimum lease payments made under the finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases: Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.Payments made under Operating leases (net of any



SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2019)



incentives receive from the lessor) are charged to the statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.16 Non Current Assets Held for sale

Non Current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and their fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the statement of Profit and Loss.

Once Classified as held for sale ,property,plant and equipment and intangible assets are no longer amortised or depreciated.

2.17 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.18 Cash Flow Statements

Cash flows are reported using the indirect method, whereby Profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

2.19 Financial Instruments

A Financial instrument is any contract that gives rise to a financial asset of one equity and a financial liability or equity instrument of another entity.

Financial Assets

A. Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent Measurement

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI).

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. This includes equity investment in other than Joint Ventures and Associates.



SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2019)



C. Impairment of Financial Assets

In accordance with Ind AS 109, the group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk lifetime ECL is used.

Financial Liabilities

A. Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative Financial Instruments

The group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, in the form of foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

Derecognition of Financial Instruments

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.20 Research and Development Expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.



SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

(Forming part of Consolidated Financial Statements for the year ended 31st March, 2019)



2.21 Earnings Per share

(i) Basic Earning Per Share.

Basic Earnings per Share is computed by dividing:

- a. net profit or loss for the period attributable to equity shareholders
- b. by the weighted average number of Equity Shares outstanding during the period

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account:

- a. the after income tax effect of interest and other financing costs associated with dilutive potential equity and
- b. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.22 Provision and Contingent Liabilities

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation, if

- a. the company has a present obligation as a result of past event,
- b. a probable outflow of resources is expected to settle the obligation; and
- c. the amount of the obligation can be reliably estimated.

Contingent liability is disclosed in case of

- i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. a present obligation arising from past events, when no reliable estimate is possible; and
- iii. a possible obligation arising from past events where the probability of outflow of resources is not remote.

Provisions and contingent liabilities are reviewed at each Balance Sheet date.

2.23 Critical Accounting Judgements and Key Source of Estimation of Uncertainty

The preparation of the Company's financial statements and the financial statements of associate and joint venture's requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Key Source of estimation uncertainty

(I) Useful lives of property, plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the group's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.



(ii) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(iii) Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

(iv) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(vi) Fair Value Measurement

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

B. Critical Accounting Judgements

(i) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment



(ii) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.24 Recent accounting pronouncements

Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the group has not applied as they are effective from April 1, 2019:

Ind AS 116-Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The group will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the group will not restate comparative information, instead, the cumulative effect of initially applying this Standard, if any, will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019.

The group is in the process of assessing and implementing the impact of this amendment on its financial statements

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty
- (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount



- (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its consolidated financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The group does not expect this amendment to have any significant impact on its consolidated financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The group does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The group does not expect any impact from this amendment.



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



(₹ in Lakhs)

3. Property, Plant and Equipments

Particulars	Leasehold land	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total	Capital Work in Progress
Cost/Deemed Cost									
As at 1st April 2017	400.00	-	380.62	4,333.78	192.36	551.92	219.15	6,077.83	387.94
Additions	-	330.06	7.44	203.86	3.72	145.92	19.74	710.74	53.31
Disposals	-	-	-	2.61	-	130.76	2.03	135.40	-
Other adjustments (refer note no.3.2 below)	-	-	-	2.27	-	-	-	2.27	(83.14)
As at 31st March 2018	400.00	330.06	388.06	4,537.30	196.08	567.08	236.86	6,655.44	408.11
Additions	76.03	-	54.93	307.98	24.69	5.34	34.36	503.33	170.83
Disposals	-	-	-	-	16.82	44.38	151.67	212.87	-
Capitalised during the year	-	-	-	-	-	-	-	-	42.40
Other adjustments (refer note no.3.2 below)	-	-	-	1.70	-	-	-	1.70	-
As at 31st March 2019	476.03	330.06	442.99	4,846.98	203.95	528.04	119.55	6,947.60	536.54
Accumulated depreciation									
As at 1st April 2017	6.25	-	213.72	925.21	150.69	296.39	183.64	1,775.90	-
Depreciation charged for the year	6.25	-	20.60	329.10	11.24	74.39	17.53	459.11	-
On disposals	-	-	-	2.61	-	87.34	2.03	91.98	-
As at 31st March 2018	12.50	-	234.32	1,251.70	161.93	283.44	199.14	2,143.03	-
Depreciation charged for the year	7.05	-	19.33	363.29	11.65	60.90	19.11	481.33	-
On disposals	-	-	-	-	16.73	27.87	150.96	195.56	-
As at 31st March 2019	19.55	-	253.65	1,614.99	156.85	316.47	67.29	2,428.80	-
Net block									
As at 31st March 2018	387.50	330.06	153.74	3,285.60	34.15	283.64	37.72	4,512.41	408.11
As at 31st March 2019	456.48	330.06	189.34	3,231.99	47.10	211.57	52.26	4,518.80	536.54

3.1 Leasehold Land represents Land on long term lease basis.(refer note no.41)

3.2 Other adjustment comprise exchange difference arising on settlement of long term foreign currency monetary items pertaining to acquisition of depreciable assets of ₹ 1.70 lakhs (PY: ₹ 2.27 Lakhs) capitalised.

3.3 Borrowing Cost Capitalised during the year aggregated to ₹ 3.88 Lakhs (Previous Year: ₹ 4.69 Lakhs). (refer note no.34)

3.4 Refer note 38B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3.5 Refer note no.19 and 23 for information on Property,plant and equipment pledged as security by the company against borrowings.



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



3.6 Capital Work in Progress includes the following expenses, capitalised.

Particulars	As at 1st April 2018	Additions during the year	Capitalised during the year	As at 31st March 2019
Finance Costs	49.01	3.88	-	52.89
Other Expenses	128.33	107.86	-	236.19
Total	177.34	111.74	-	289.08



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



3.7 Intangible Assets*

(₹ in Lakhs)

Particulars	Computer Software	Intangible Assets Under Development
<u>Cost/Deemed Cost</u>		
As at 1st April 2017	37.45	58.84
Additions	1.51	4.90
Disposals	-	
As at 31st March 2018	38.96	63.74
Additions	7.34	(1.72)
Disposals		
As at 31st March 2019	46.30	62.02
<u>Accumulated amortisation</u>		
As at 1st April 2017	29.01	-
Amortisation for the year	2.47	-
On disposals	-	-
As at 31st March 2018	31.48	-
Amortisation for the year	3.53	-
On disposals		
As at 31st March 2019	35.01	-
<u>Carrying Value</u>		
As at 31st March 2018	7.48	63.74
As at 31st March 2019	11.29	62.02

*Other than internally generated

4. Asset classified as held for sale

Particulars	As at 31 st March 2019	As at 31 st March 2018
Freehold Land at Kandaghat, Solan	191.86	191.86
	191.86	191.86

4.1 Permission u/s 118 of HP Tenancy and land reforms Act, 1972 is awaited.

5. Investments (Non Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Investment(s) (at Cost)		
In Equity Instruments of ;		
(a) Associate Company		
i) Unquoted Equity Instrument of "Shivalik Bimetal Engineers Private Limited" of face value ₹ 10/- each fully paid up (No . Of Shares)	22.28	22.28
	(222,750)	(222,750)
Add/ (Less): Interest In Joint Venture	59.52	38.13
	81.80	60.41



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



Particulars	As at 31 st March 2019	As at 31 st March 2018
(b) Joint Venture Companies		
i) Unquoted Equity Instrument of "Checon Shivalik Contact Solutions Private Limited" of face value ₹ 10/- each fully paid up (No . Of Shares)	221.45 (1,710,900)	221.45 (1,710,900)
Add/ (Less): Interest In Joint Venture	313.42	195.22
	534.87	416.67
ii) Unquoted Equity Instrument of "Innovative Clad Solutions Private Limited" of face value ₹ 10/- each fully paid up. (No . Of Shares)	780.02 (16,086,003)	683.42 (15,120,000)
Add/ (Less): Interest In Joint Venture	(334.17)	(388.79)
	445.85	294.63
Investments (at Fair Value Through Profit & Loss)		
(a) In Equity Shares of Other Company		
ii) Unquoted Equity Instrument of "Shivalik Solid Waste Management Limited" of face value ₹ 10/- each fully paid up. (No . Of Shares)	3.69 (20,000)	3.61 (20,000)
	1,066.21	775.32

Investments in Associate and Joint-venture companies are stated at cost, using the exemption provided as per Ind AS 27 'Separate Financial Statements'

Particulars	As at 31 st March 2019	As at 31 st March 2018
Aggregate amount of unquoted investments	1,066.21	775.32
Aggregate amount of quoted investments	-	-
Aggregate amount of impairment in the valuation of Investment	-	-
	1,066.21	775.32

6. Loans Receivables (Non Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Considered Good- Unsecured Security Deposits ;		
Government Undertakings /Authorities	15.08	14.95
Related Parties	13.50	13.50
Others	9.85	5.87
	38.43	34.32

7. Other Financial Assets (Non Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Margin Money Deposit *	-	0.55
	-	0.55

*Represents Term deposit receipts pledged against Bank Guarantees issued and having maturity of more than 12 months



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



8. Other Non Current Assets

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Capital Advances	30.26	43.53
Prepaid Expenses	1.37	7.45
	31.63	50.98

9. Inventories

(Carried at lower of Cost or Net realisable value)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Raw Materials	3,714.32	2,125.38
Work-in-Progress	1,408.41	1,168.87
Finished goods	1,641.92	602.32
Stores, Spares and Packing Material	150.07	150.66
Scrap	12.02	12.86
	6,926.74	4,060.09
Material in Transit (included in Inventories,above)		
i) Raw Material	379.08	146.27
ii) Stores,Spares and Packing Material	1.81	5.65
	380.89	151.92

Refer note 23 for hypothecation/charge created.

10. Trade Receivables

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Considered Good- Secured [#]	16.58	40.48
Considered Good- Unsecured		
Related Party	1.55	1.92
Others	3,439.41	3,316.63
Considered Doubtful	20.88	17.03
Less: Allowances for Credit Losses [*]	(20.88)	(17.03)
	3,457.54	3,359.03

[#]Secured against Letter of Credit

Refer note 23 for hypothecation/charge created.

^{*}In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



(i) Movements in allowance of credit losses of receivables;

Particulars	As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the Year	17.03	555.83
Charge in Statement of Profit and Loss	3.91	15.40
Release to Statement in Profit and Loss	-	
Utilised during the Year*	0.06	554.20
Balance at the end of the Year	20.88	17.03

*During the year, the Company has written off Irrecoverable trade receivables aggregating to ₹ 0.06 Lacs (Previous Year ₹554.20 Lacs).

11. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Balances with banks in		
- Current Accounts	36.07	20.10
Cash on hand	3.03	2.48
	39.10	22.58

There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting period and prior periods.

12. Other Bank Balances

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Unpaid Dividend held in Bank Accounts [#]	8.95	7.14
Margin Money Deposit against Bank Guarantee (s)*	0.77	5.37
	9.72	12.51

[#]Balance in Unpaid Dividend account has restricted use.

*Deposits with maturity more than three months but less than 12 months, held by the Company are not available for use, as these are pledged with Banks against guarantee(s) given to Government authorities.

13. Loans Receivables (Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Considered good-unsecured		
Security Deposits, to others	1.15	1.75
	1.15	1.75

14. Others Financial Assets

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Advances to Employees	2.75	0.64
	2.75	0.64



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



15. Other Current Assets

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Prepaid Expenses	130.18	128.15
Balances with Revenue authorities	414.91	860.04
Export Incentive*	144.58	143.27
Investment in Gold Coin	30.57	30.57
Advances to suppliers	13.80	11.04
Others	2.71	0.09
	736.75	1,173.16

* Includes ₹ 53.70 lakhs (Previous Year ₹ 84.22 lakhs) on account of Scrips in hand.

16. Current Tax Assets

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Income Tax Refundable	15.42	15.42
	15.42	15.42

17. Equity Share Capital

(₹ in lakhs, except per share data)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Authorised Share Capital:		
Equity Shares of ₹ 2/- each (No. of Shares)	1,500.00 (75,000,000)	1,500.00 (75,000,000)
Issued Subscribed and Paid Up:		
Equity Shares of ₹ 2/- each fully paid up (No. of Shares)	768.06 (38,402,800)	768.06 (38,402,800)
Total	768.06	768.06

17.1 Reconciliation of Number of Shares

Particulars	Number of Shares	Amount (₹ in lakhs)
Balance as at 1st April,2017	19,201,400	384.03
Shares Issued during the year	-	-
Shares Bought back during the year	-	-
Shares Issued as Bonus Shares	19,201,400	384.03
Balance as at 31st March,2018	38,402,800	768.06
Shares Issued during the year	-	-
Shares Issued as Bonus Shares	-	-
Shares Bought back during the year	-	-
Balance as at 31st March,2019	38,402,800	768.06



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



- 17.2** The Company has only one class of shares referred to as Equity shares having par value of ₹ 2/-. The holder of Equity Share is entitled to one vote per share.
- 17.3** In the event of liquidation of the Company, the residual interest in the company's net assets shall be distributed to the shareholders in the proportion to the equity shares held.
- 17.4** a) 'During the year, the company has paid a final dividend of ₹ 0.30 per share for FY 17-18 and an interim dividend of ₹ 0.30 per share for FY 18-19 which resulted in a cash outflow of ₹ 277.78 lakhs (previous year ₹ 196.44 Lakhs) inclusive of corporate dividend tax.
- b) The Board of Directors, in its meeting held on 23rd May, 2019 have proposed a final dividend of ₹ 0.30 per equity share for the financial year ended 31st March 2019. The proposal is subject to the approval of shareholders at the forthcoming Annual General Meeting and if approved would result in cash outflow of approximately ₹ 138.89 lakhs including corporate dividend tax.
- 17.5** The Company does not have a holding company.
- 17.6 Shareholders holding more than 5% shares**

Name of Shareholders	As at 31 st March 2019		As at 31 st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. N. S. Ghumman	2,994,000	7.80	2,994,000	7.80
O D Finance and Investment Pvt. Ltd.	5,046,978	13.14	5,046,978	13.14
TSL Holdings Limited	5,580,400	14.53	5,580,400	14.53
Angad Estates Pvt. Ltd.	3,310,000	8.62	3,310,000	8.62

18. Other Equity

(₹ in lakhs)

Particulars	Capital Reserve	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2017	0.57	2,637.07	3,820.29	6,457.93
Profit for the year	-	-	1,652.61	1,652.61
Other Comprehensive income for the year (net of tax)	-	-	1.08	1.08
Transactions with owners				
Dividend paid	-	-	(163.21)	(163.21)
Tax on Dividend	-	-	(33.23)	(33.23)
Issue of Bonus Shares	-	-	(384.03)	(384.03)
Balance as at 31st March, 2018	0.57	2,637.07	4,893.51	7,531.15
Profit for the year	-	-	2,462.52	2,462.52
Other Comprehensive income for the year (net of tax)	-	-	(3.82)	(3.82)
Transactions with owners				
Dividend paid	-	-	(230.41)	(230.41)
Tax on Dividend	-	-	(47.36)	(47.36)
Balance as at 31st March, 2019	0.57	2,637.07	7,074.43	9,712.08

- i) **Capital reserve** : Reserve is primarily created due to Interest received in Calls in arrears.



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



- ii) **General reserve** : Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement of mandatory transfer of a specified percentage of the net profit to general reserve has been withdrawn and the Company can optionally transfer any amount from the surplus of profit or loss account to the General reserves.

19. Borrowings (Non-Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Secured		
From Banks(*)		
Rupee Loan	140.86	134.14
Vehicle Loan	-	0.71
Unsecured		
From Related Parties	603.18	609.31
Total (1)	744.04	744.16

(*)Comprise of Term loan from Indian Bank which is secured by first charge on Plant & Equipment, both present and future and equitable mortgage of Company's Factory Leasehold Land and Building, situated at Chambaghat, Solan, (H.P) and Vehicle loan from HDFC Bank which is secured by hypothecation of vehicles.

(1) Refer note no. 25 for Current Maturities of long term borrowings

Rupees loan from banks is repayable in equal instalments ending March, 2026 and Unsecured Loan from related party ends in March, 2024.

20. Other Financial Liabilities (Non Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Long term maturity of finance lease obligations	40.06	-
	40.06	-

21. Provisions (Non Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Compensated absence	32.96	29.41
	32.96	29.41

22. Deferred Tax Liabilities (Net)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Deferred Tax Liabilities/ (Assets) in relation to		
Property, Plant and Equipment & Intangible assets	468.04	482.78
Employee Benefits	(10.84)	(9.50)
Debtors	(6.08)	(4.96)
Unabsorbed Loss	(2.03)	(2.03)
Others	105.72	64.68
Total	554.81	530.97



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



Movement in deferred tax account for the year

Particulars	Charged to PL during the year ended March 2019	Charged to PL during the year ended March 2018
Property, Plant and Equipment & Intangible assets	(14.74)	(98.28)
Employee Benefits	(1.34)	3.18
Debtors	(1.12)	187.40
Unabsorbed Loss	-	0.38
Others	41.04	14.50
Total	23.84	107.18

23. Borrowings (Current)

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Secured		
From Banks		
Foreign Currency Loan	2,418.72	1,923.27
Rupee Loan	843.22	379.11
	3,261.94	2,302.38

Foreign Currency Loan of ₹ 609.48 Lacs (Previous Year ₹ 1,923.27 Lacs) and Rupee Loan of ₹ 711.30 Lacs (Previous Year ₹ 275.11 Lacs) from Indian Bank are secured by Hypothecation of inventory, movable properties and Book Debts, both present and future and Equitable mortgage of company's Factory Leasehold Land and Building situated at 16-18, New Electronics Complex, Chambaghat, Solan, Himachal Pradesh.

Foreign Currency Loan of ₹ 1,809.24 Lacs (Previous Year Nil) and Rupee Loan of ₹ 0.68 Lacs (Previous Year Nil) from DBS Bank are secured by subservient Charge on current assets and movable fixed assets And First and exclusive charge by way of Equitable Mortgage of factory land and building situated at Kather, Chambaghat, Solan, Himachal Pradesh.

23.1 Changes in Liabilities arising from Financing Activities

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Borrowings at the beginning of the year		
Borrowings (Non Current) (refer note no.19)	744.16	535.93
Current Maturties of Long Term Debt (refer note no.25)	543.18	333.43
Borrowings (Current) (refer note no.23)	2,302.38	1,994.54
Total Borrowings at the beginning of the year	3,589.72	2,863.90
Movement due to cash transactions as per the Statement of Cash flows	985.32	673.96
Movement due to non cash transactions		
Foreign Exchange Movement	(97.76)	51.86
Borrowings at the end of the year		
Borrowings (Non Current) (refer note no.19)	744.04	744.16
Current Maturties of Long Term Debt (refer note no.25)	471.30	543.18
Borrowings (Current) (refer note no.23)	3,261.94	2,302.38
Total Borrowings at the end of the year	4,477.28	3,589.72



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



24. Trade Payables

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Micro, Small and Medium Enterprises	9.50	7.14
Related Parties	194.34	52.85
Others	1,259.88	1,680.37
	1,463.72	1,740.36

25. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Current maturities of long-term borrowings (refer note no.19)	471.30	543.18
Interest accrued but not due on borrowings	4.39	10.08
Interest accrued and due on borrowings	5.02	2.08
Unclaimed dividends	8.95	7.14
Employee Benefits Payable	150.30	130.75
Expenses Payable	56.25	98.46
Security Deposit Received	8.09	-
Long term maturity of finance lease obligations	12.90	-
Others	1.07	0.96
	718.27	792.65

26. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Statutory Dues	92.54	69.14
Advance from Customers	71.43	76.88
Advance from Others*	26.26	26.26
	190.23	172.28

*Received against sale of Kandaghat, Solan land (refer note no.4)

27. Provisions- Current

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Compensated absence	3.95	2.89
Gratuity	5.35	7.79
	9.30	10.68

28. Current Tax Liabilities

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Provision for Tax (Net of Advance Tax)	150.49	67.85
	150.49	67.85



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



29. Revenue from Operations

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Sale of products (including Excise Duty)*	19,285.98	15,912.15
Sale of Services	53.17	71.96
	19,339.15	15,984.11

*Excise duty during current year ₹ Nil (Previous Year ₹ 197.72 Lacs)

Revenue disaggregation by geography is as follows:

Geography

America	5,723.38	4,219.88
Europe	2,479.44	2,020.54
India	8,804.22	7,728.29
Others	2,332.11	2,015.40
	19,339.15	15,984.11

30. Other Income

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Other Operating Revenues	170.64	183.86
Interest Income	0.76	3.34
Rental Income	8.86	3.60
Miscellaneous Income	9.31	43.96
Exchange Fluctuation Gain (Net)	346.98	179.03
Income from fair value changes	0.07	0.22
Liabilities/Provisions Written Back	2.04	1.24
	538.66	415.25

31. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Raw Material Consumed	10,865.57	8,953.47
	10,865.57	8,953.47

32. Decrease/(Increase) in Inventories of Finished Goods and Work-in Progress

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Inventory (at Beginning)		
-Finished Goods	602.32	326.05
-Work-in-Progress	1,168.87	664.39
-Scrap	12.87	3.31
	1,784.06	993.75
Inventory (at Close)		
-Finished Goods	1,641.92	602.32
-Work-in-Progress	1,408.41	1,168.87
-Scrap	12.02	12.87
	3,062.35	1,784.06
(Increase)/Decrease	(1,278.29)	(790.31)



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



33. Employee Benefit Expenses

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Salaries and Wages	1,442.94	1,230.92
Contributions to -		
(i) Provident fund	85.37	72.38
(ii) ESI Contribution	15.19	15.66
(iii) Gratuity Expenses	17.02	16.14
Staff welfare expenses	131.04	112.80
	1,691.56	1,447.90

33.1 Disclosure pursuant to Ind AS 19 “Employee Benefits”:

The disclosures required under Ind AS 19 “Employee Benefits” notified in the Companies (Accounting Standards) Rules 2006, are given below:

(I) Defined Contribution Plan

- (a) Provident Fund
- (b) State defined contribution plans
-Employees’ Pension Scheme 1995

The Provident Fund and State defined contribution plan are operated by the regional provident fund commissioner. Under the scheme, the company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. These funds are recognized by the Income tax authorities.

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

(₹ in lakhs)

Particulars	2018-19	2017-18
(a) Employer’s Contribution to Provident Fund	57.25	46.15
(b) Employer’s Contribution to Pension Scheme	28.12	26.23

(II) Defined Benefit Plan

- (a) Gratuity

The employees’ Gratuity fund scheme has been managed by Life Insurance Corporation of India and the present value of obligation is determined by Independent Actuary using the Projected Unit Credit (PUC) Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Actuary has carried out the valuation based on the followings assumptions:

Particulars	2018-19	2017-18
Discounting Rate (per annum)	7.65%	7.73%
Rate of escalation in Salary (per annum)	6.00%	6.00%
Expected Average remaining working lives of employees in no. of years	19.87	20.52
Mortality Table	IALM (2006-08)	



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



(₹ in lakhs)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
(a) Changes in Present Value of Obligation		
Opening balance of Present value of obligation	197.28	172.46
Interest Cost	15.25	13.00
Current Service Cost	16.27	14.70
Benefits Paid	(15.25)	(3.49)
Actuarial (Gain)/Loss arising from change in financial assumption	1.70	(3.79)
Actuarial (Gain)/Loss arising from experience adjustment	2.11	4.40
Closing Balance of Present value of obligation	217.36	197.28
(b) Changes in Fair Value of Plan Assets		
Opening balance of Fair Value of Plan Assets	187.49	153.39
Expected Return on Plan Assets	14.49	11.56
Employer's Contribution	25.35	24.89
Benefits paid	(15.25)	(3.49)
Actuarial Gain/ (Loss) on Plan Assets	(0.07)	1.14
Closing balance of Fair value of Plan Assets	212.01	187.49
Actual return on Plan Assets	14.42	12.70
(c) Percentage of each category of Plan Assets to total Fair value of Plan assets		
Adminstrated by Life Insurance Corporation of India	100%	100%
(d) Reconciliation of Present Value of Defined Present obligations and the Fair Value of Assets		
Closing Balance of Present Value of Obligation	217.36	197.28
Closing Balance of Fair Value of Plan Assets	212.01	187.49
(Asset)/ Liability recognised the Balance Sheet	5.35	9.79
(e) Amount Recognised in the Balance Sheet		
Closing Balance of Present Value of Obligation	217.36	197.28
Closing Balance of Fair Value of Plan Assets	212.01	187.49
Funded (Asset)/ Liability recognized in the Balance Sheet	5.35	9.79
Unfunded Liability recognised in the Balance Sheet	-	-



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



(f) Expenses recognised in the statement of Profit and Loss

Current Service Cost	16.27	14.70
Interest Cost	15.25	13.00
Expected Return on Plan Assets	(14.49)	(11.56)
Expenses recognized in the statement of Profit and Loss	17.03	16.14

Remeasurement of Defined Benefit Obligation

Actuarial (Gain)/Loss arising from change in financial assumption	1.70	(3.79)
Actuarial (Gain)/Loss arising from experience adjustment	2.11	4.40
Return on plan assets	0.07	(1.14)
Expenses recognized in the statement of Other Comprehensive Income	3.88	(0.53)

(g) Experience Adjustments

Experience adjustment on Plan Liabilities (loss)/gain	(3.81)	(0.60)
Experience adjustment on Plan Assets (loss)/ gain	(0.07)	1.14

(h) Sensitivity Analysis of the defined benefit obligation

a) Impact of the change in discount rate		
Present value of the obligation at the end of the period	217.36	197.28
Impact due to increase of 0.50%	(10.31)	(9.51)
Impact due to decrease of 0.50%	11.15	10.29
b) Impact of the change in salary increase		
Present value of the obligation at the end of the period	217.36	197.28
Impact due to increase of 0.50%	10.52	9.75
Impact due to decrease of 0.50%	(9.86)	(9.11)

i) Maturity Profile of Defined Benefit Obligation

Year	Amount
0 to 1 Year	1,574,430
1 to 2 Year	344,618
2 to 3 Year	347,750
3 to 4 Year	846,725
4 to 5 Year	334,457
5 to 6 Year	479,141
6 Year onwards	17,809,222



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



(b) Compensated Absence

The obligation for compensated absence is recognised in the same manner as Gratuity.

34. Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Interest expense on		
(i) Borrowings	223.32	174.00
(ii) Others	7.78	1.08
(iii) Interest on Income Tax	6.50	6.85
Other Borrowing costs	86.58	75.03
Exchange difference regarded as an adjustment to borrowing cost	37.43	78.86
Total	361.61	335.82
Less: Transferred to CWIP (refer note no 3.3)	3.88	4.69
	357.73	331.13

35. Manufacturing & Other Expenses

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Stores & Spares Consumed	318.05	275.70
Power & Fuel	186.56	189.64
Job Work Expenses	18.83	52.00
Machinery Repairs	272.94	199.28
Research & Development	76.13	145.86
Electricity and Water Charges	17.32	12.52
Watch & Ward Expenses	7.67	5.90
Building Repairs	52.98	55.22
Other Repairs	137.42	94.88
Insurance	23.68	13.66
Rent, Rates and Taxes	148.27	127.75
Travelling & Conveyance	108.00	121.32
Printing & Stationery	16.29	15.67
Communication Expenses	17.51	20.97
Professional and Consultancy Charges	261.52	168.99
Payment to Auditors	12.00	15.00
CSR Expenditure	28.12	20.73
Miscellaneous Expenses	111.10	45.39
Business Promotion /Development, Advertisement & Publicity	25.24	19.63
Commission on Sales	1,291.45	959.89
Packing Cost	684.46	483.90
Forwarding & Freight	682.49	579.21
Expense on Sale of Property, Plant & Equipment (Net)	4.48	0.01
Expected Credit Losses (refer note 10)	3.91	15.40
Change in Excise Duty on Closing Stock	-	(26.64)
	4,506.42	3,611.88



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



36. Income Tax Expense recognised in the profit and loss account.

(₹ in lakhs)

Particulars	Year Ended 31 st March 2019	Year Ended 31 st March 2018
Current Tax:		
In respect of the Current Year	958.88	564.82
In respect of the Previous Year	-	(62.77)
Deferred Tax:		
In respect of the Current Year	23.84	107.18
Income Tax Expense recognised in the Statement of Profit & Loss	982.72	609.23
Other Comprehensive Income Section		
Tax related to items that will not be reclassified to profit and loss account	1.13	(0.18)

Effective Tax Reconciliations

Particulars	As at 31 st March 2019	As at 31 st March 2018
Profit before tax	3,445.24	2,261.84
Applicable Tax rate	29.12%	34.61%
Computed tax expense	1,003.25	782.78
Tax effect of;		
Income Exempt from taxation	(0.11)	0.08
Weighted deduction on research and development expenditure	(11.08)	(25.24)
Expense Disallowed	15.28	5.22
Deductions Allowed under Income Tax	(8.06)	
Depreciation	-	
Effect of change in tax rate	-	(86.27)
Earlier year tax	-	(62.77)
Share of Associates/Joint Ventures	(16.21)	(4.32)
Others	(0.35)	(0.25)
Tax Expense recognised in Statement of Profit and Loss	982.72	609.23

37. Earnings Per Share

Particulars	As at 31 st March 2019	As at 31 st March 2018
Net Profit attributable to shareholders (₹ in lakhs)	2,458.70	1,653.69
Weighted average number of equity Shares	38,402,800	38,402,800
Basic and Diluted Earnings per share (₹)	6.40	4.31
Face Value per Equity Share (₹)	2	2



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



38. Contingent Liabilities in respect of:

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
(A) Contingent Liabilities		
(I) <u>Claim Against the group Not Acknowledged as Debts*</u>	39.88	23.04
(II) <u>Guarantees</u>		
a. Letters of Credit/Bank Guarantee established by the bank	532.21	981.31
b. Corporate Guarantee(s) on behalf of JV/ Associate Company [#]	966.50	966.50
c. Surety with Sales Tax Department	6.50	6.50
d. Duty foregone in respect of Joint-Venture		
Raw Material	125.36	53.90
Capital Goods	10.90	15.64
Other	5.04	2.61
(III) <u>Other Money for which the group is Contingently Liab</u>		
a. Buyers Credit Interest payable	2.95	4.45
b. Customs duty on Material imported against Advance License /Annexure, for pending export obligation	1,301.19	528.91
c. Custom Duty in respect of Material Lying in Bonded Warehouse and Material in Transit.	183.34	75.07
d. Local Sales Tax Authorities	4.16	3.37
*Includes demand raised by Central Excise & Service Tax Commissionerate towards Cenvat Credit of excise duty ₹ 17.87 Lakhs (Previous Year ₹ 17.87 Lakhs) and demand raised by Excise and Taxation Officer, Solan towards the demand of VAT of ₹ 17.53 Lakhs. However the management of the group is of the view that the demand is not enforceable against the Company, being bad in law.		
[#] Includes guarantee(s) for aggregate of ₹ 550 Lakhs which are pending for cancelation, as such the same are defunct, operationally.		
(B) Commitments		
Estimated amount of contracts (net of advances) exceeding ₹ 1.00 lakh in each case remaining to be executed on capital account and not provided for	446.92	156.41

39. Leases

The Company's significant operating lease arrangements are in respect of premises (residential, offices, godown etc.). These leasing arrangements, which are cancellable, range between 11 months to 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Rental payments under such leases are ₹ 140.24 lakhs (Previous Year ₹ 100.47 lakhs) has been included under "Rent, Rates and Taxes" expense in note 35.

Assets Acquired under finance lease:



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



Future Minimum lease payments and their present values under finance lease are as follows:

Particulars	Minimum Lease Payments		Present Value of Minimum Lease payments		Future Expense	
	Year Ended March 19	Year Ended March 18	Year Ended March 19	Year Ended March 18	Year Ended March 19	Year Ended March 18
Not later than one year	13.01	-	12.90	-	0.11	-
Later than one year but not later than five years	52.06	-	40.06	-	12.00	-
Later than five years	-	-	-	-	-	-

There is no element of contingent rent or sublease payments.

40. The Company's activities involve predominantly one operating segment i.e. Process and product Engineering, which are considered to be within a single operating segment since these are subject to similar risks and returns. Accordingly, Process and Product Engineering comprise the primary basis of segmental information as set out in these financial statements, which therefore reflect the information required by Ind AS 108- Segment Reporting has been disclosed as below.

a) **Revenue from Operations**

(₹ in lakhs)

Particulars	India		Rest of world		Total	
	Year Ended March 19	Year Ended March 18	Year Ended March 19	Year Ended March 18	Year Ended March 19	Year Ended March 18
Segment Revenue	8,804.22	7,728.29	10,534.93	8,255.82	19,339.15	15,984.11

b) **Non Current Operating assets**

All Non Current Assets other than financial instruments, deferred tax assets of the company are located in India.

41. **“Related Party Disclosure” for the year ended 31st March, 2019 in accordance with Ind AS 24:**

- (i) **List of related parties where control exists and related parties with whom transactions have taken place and relationships:**

Sr. No.	Name of Related Party	Relationship
1.	Checon Shivalik Contact Solutions Pvt. Ltd.	Joint Venture
2.	Innovative Clad Solutions Pvt. Ltd.	
3.	Shivalik Bimetal Engineers Pvt. Ltd.	Associate
4.	Mr. S. S Sandhu	Key Managerial Personnel (KMP)
5.	Mr. N. S. Ghumman	
6.	Mr. Rajeev Ranjan	
7.	Ms.Aarti Jassal	
8.	Mr. Kabir Ghumman	Relative of Key Managerial Personnel
9.	Mr. Sumer Ghumman	



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



Sr. No.	Name of Related Party	Relationship
10.	TSL Holdings Ltd.	Enterprises over which Key Managerial Persons are able to exercise significant influence
11.	Angad Estates Pvt. Ltd.	
12.	Amar Engineering Company Pvt. Ltd.	
13.	Ultra Portfolio Management Pvt. Ltd.	
14.	O.D.Finance and Investment Pvt. Ltd.	
15.	ABS Foundation	
16.	Mr. Rohit Kapoor	Directors
17.	Mr. Nirmaljeet Singh Gill	
18.	Mr. Gurmeet Singh Gill	
19.	Capt. J.S.Mann (Retd.) [#]	
20.	Lt. Gen. Pradeep Khanna	
21.	Ms. Harpreet Kaur	

[#]Capt. J.S. Mann (Retd.), Independent Director of the Company passed away on May 31, 2019.

(ii) Transactions during the year with related parties:

(₹ in lakhs)

Sr. No.	Nature of Transactions	Key Managerial Personnel	Relative of Key Managerial Personnel	Enterprises over which KMP are able to exercise significant influence	Directors
1	Reimbursement of Expenses(Net)			1.88 -	
2	Managerial Remuneration	513.12 (388.28)			
3	Sitting Fees				0.81 (0.64)
4	Remuneration in pursuant to Section 197 of the Companies Act 2013 for holding an office or place of profit.		49.99 (38.62)		
4.1	Gratuity and Earned Leave Benefits		1.13 (1.33)		
5	Rent Paid		5.07 (3.80)	100.33 (80.20)	
6	CSR Expenditure			21.00 (9.00)	
7	Unsecured Loans				
	i) Taken			1,040.00 (666.00)	
	ii) Repaid			989.15 (230.62)	
8	Finance Costs			127.60 (86.78)	



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



Balances as at 31st March 2019

9	Security Deposits			13.50 (13.50)	
10	Unsecured Loans			970.00 (919.10)	
11	Payable		-	(0.41)	

Figures in () indicate previous year's figures.

42. FINANCIAL INSTRUMENTS

42.1 Capital Management

The Company's capital management objectives are;

- to maintain healthy Credit rating, Capital Ratios and Leverage.
- to maximise return to the Shareholders.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Principal source of funding of the company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings.

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Long term Borrowings (Incl Current Maturities)	1,224.74	1,299.50
Short Term Borrowings	3,261.94	2,302.38
Less: Cash and cash equivalents	39.10	22.58
Less: Bank Balance other than Cash and Cash Equivalents	9.72	12.51
Less: Investment in Gold Coins	30.57	30.57
Net debt	4,407.29	3,536.22
Total equity (as shown on the face of balance sheet)	10,480.13	8,299.21
Net debt to equity ratio (Gearing Ratio)	42%	43%

42.2 Financial Instruments by categories

(₹ in lakhs)

Particulars	As at 31 st March 2019			As at 31 st March 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments*	3.69	-	-	3.61	-	-
Loans receivables	-	-	39.58	-	-	36.07
Trade receivables	-	-	3,457.54	-	-	3,359.03
Cash and cash equivalents	-	-	39.10	-	-	22.58
Other bank balances	-	-	9.72	-	-	12.51



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



Particulars	As at 31 st March 2019			As at 31 st March 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Other Financial Assets			2.75			1.19
Total	3.69	-	3,548.69	3.61	-	3,431.38
Financial liabilities						
Borrowings	-	-	4,486.68	-	-	3,601.88
Trade payable	-	-	1,463.73	-	-	1,740.36
Other financial liabilities	-	-	277.63	-	-	237.31
Total	-	-	6,228.04	-	-	5,579.55

Fair Value Measurement

- i) Carrying amount of Financial assets and financial liabilities recorded at amortized cost approximates their fair value.
- ii) Investment in Equity instrument of other companies is measured at its fair value using Level 3 valuation techniques.

42.3 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk, Foreign Currency Risk and credit risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the company. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

42.4 Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk encompasses both, direct risk of default and the risk of deterioration of creditworthiness.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. The company has a policy of only dealing with credit worthy parties and obtain sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults.

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



b) Expected credit losses

The Company provides for expected credit losses based on the following:

The company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables.

Particulars	As at 31 st March 2019		As at 31 st March 2018	
	>3 Years	0-3 Years	>3 Years	0-3 Years
Gross amount of trade receivables where no default (as defined above) has occurred	-	3,478.43	-	3,376.06
Expected loss rate	-	0.60%	-	0.50%
Expected credit loss (loss allowance provision)	-	20.88	-	17.03

Reconciliation of loss provision – lifetime expected credit losses	
Loss allowance as on 1 st April 2017	555.83
Impairment loss recognised during the year	15.40
Amounts written off	554.20
Loss allowance on 31 st March 2018	17.03
Impairment loss recognised during the year	3.91
Amounts written off	0.06
Loss allowance on 31 st March 2019	20.88

42.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management measures involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these obligations.

Maturities of financial liabilities

The tables below analyses the Company's financial liabilities into relevant maturity based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. For balances due within 12 months amounts equal their carrying values as the impact of discounting is not significant.

(₹ in lakhs)

As at 31 st March 2019	Less than 1 year	1-2 years	2-3 year	More than 3 years	Total
Long term borrowings (including interest)	480.70	303.37	235.80	204.87	1,224.74
Short term borrowings	3,261.94	-	-	-	3,261.94
Trade payable	1,463.73	-	-	-	1,463.73
Other financial liabilities	277.63	-	-	-	277.63
Total	5,484.00	303.37	235.80	204.87	6,228.04



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



As at 31 st March 2018	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Long term borrowings (including interest)	555.35	388.17	192.68	163.30	1,299.50
Short term borrowings	2,302.38				2,302.38
Trade payable	1,740.36				1,740.36
Other financial liabilities	237.31				237.31
Total	4,835.40	388.17	192.68	163.30	5,579.55

42.6 Market Risk

The company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The company seeks to minimize the effects of these risks by minutely observing the variation and fluctuation on regular basis. Compliance of exposure volume is reviewed by the management on real time basis and taking corrective measures as and when required.

42.7 Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. The exchange rate between the Indian rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/depreciates against the currencies. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company.

(i) Foreign currency risk exposure:

The Companies exposure to foreign currency risk at the end of the reporting period are as follows

(₹ in lakhs)

Particulars	FC	As at 31 st March 2019		As at 31 st March 2018	
		FC (Nos)	Amount	FC (Nos)	Amount
Financial Liabilities					
Loans	EURO	2,379,732	1,849.11	1,668,487	1,345.17
	USD	823,475	569.61	855,193	556.25
Creditors	EUR	183,037	142.22	162,797	131.25
	USD	601,371	415.98	1,167,894	759.65
	GBP	9,898	8.96	-	-
Others	EUR	2,932	2.28	1,336	1.08
	USD	834	0.58	7,036	4.58
Financial assets					
Debtors	EUR	494,021	383.86	562,657	453.63
	USD	1,879,651	1,300.18	1,799,061	1,170.18
Cash & Bank Balance	EUR	2,586	2.01	687	0.55
	USD	5,299	3.67	6,663	4.34
Net exposure to foreign currency risk	EUR	2,069,094	1,607.74	1,269,276	1,023.32
	USD	(459,270)	(317.68)	224,399	145.96
	GBP	9,898	8.96	-	-



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



Sensitivity analysis of 5% change in the exchange rate at the end of reporting period

Particulars	As at 31 st March 2019	As at 31 st March 2018
5% Depreciation in INR		
USD sensitivity	(317.68)	145.96
Impact on Equity and Profit and Loss	15.88	(7.30)
Euro Sensitivity	1,607.74	1,023.32
Impact on Equity and Profit and Loss	(80.39)	(51.17)
5% Appreciation in INR		
USD sensitivity	(317.68)	145.96
Impact on Equity and Profit and Loss	(15.88)	7.30
Euro Sensitivity	1,607.74	1,023.32
Impact on Equity and Profit and Loss	80.39	51.17

42.8 Interest rate risk

i) Liabilities

Interest rate risk is the risk that the fair value or future cash flows of a financial Assets/Liabilities because of changes in market interest rates. The company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in marginal cost of fund based lending rate (MCLR) and LIBOR rates.

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk: (₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
Variable rate borrowing	3,261.94	2,302.38
Fixed rate borrowing	1,224.74	1,299.51
Total borrowings	4,486.68	3,601.89



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

(₹ in lakhs)

Particulars	As at 31 st March 2019	As at 31 st March 2018
	Equity and Profit & Loss Account	Equity and Profit & Loss Account
Interest sensitivity*		
Interest rates – increase by 1%	(32.62)	(23.02)
Interest rates – decrease by 1%	32.62	23.02

42.9 Price Risk

The Company does not have significant exposure to price risk on its financial assets and liabilities.

43. Interest in Associate and Joint Ventures

Annexure-A:- Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate and Joint Ventures

Sr. No	Name of Associate/ Joint Ventures	Latest audited Balance Sheet Date	The Date on which the Associate or joint ventures was associated or acquired	Shares of Associate/Joint Ventures held by the Company on the year end			Net Worth attributable to Shareholding as per latest audited Balance Sheet (Rs in Lacs)	Profit/Loss for the Year		Description of how there is significant influence	Reason why the Associate/ Joint Ventures is not Consolidated
				No.	Amount of investment in Associate/ Joint Ventures (Rs in Lacs)	Extent of Holding %		Considered in Consolidation (Rs In Lacs)	Not Considered in Consolidation		
Joint Ventures											
1	Checon Shivalik Contact Solutions Private Limited	3/31/2019	12/1/2005	1,710,900	221.45	50.00%	484.51	118.89	118.89	Due to percentage (50%) of Voting Power.	N.A.
2	Innovative Clad Solutions Private Limited	3/31/2019	3/4/2008	16,086,003	780.02	16.01%	449.64	56.96	298.81	In accordance with terms of JV Agreement and the constitution of Board	N.A.
Associate											



Notes on Consolidated Financial Statements for the year ended 31st March, 2019



1	Shivalik Bimetal Engineers Private Limited	3/31/2019	2/27/2008	222,750	22.28	45.00%	82.54	21.35	26.09	Due to percentage (45%) of Voting Power.	N.A.
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Annexure "B"

ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS ASSOCIATE/JOINT VENTURES

Sr. No	Name of the Enterprise	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (Rs in Lacs)	As % of consolidated profit or loss	Amount (Rs in Lacs)	As % of Consolidated other Comprehensive Income	Amount (Rs in Lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in Lacs)
Joint Ventures									
1	Checon Shivalik Contact Solutions Private Limited	9.25%	969.03	4.83%	118.89	29.77%	(0.82)	50.00%	118.07
2	Innovative Clad Solutions Private Limited	26.80%	2,808.47	2.31%	56.96	9.07%	(0.25)	16.01%	56.71
Associate									
1	Shivalik Bimetal Engineers Private Limited	1.75%	183.41	0.87%	21.35	0.00%	-	45.00%	21.35

Annexure "C"

Enterprises consolidated as Associate and Joint Ventures in accordance with Ind AS-28

Name of The Enterprises	Country of Incorporation	Proportionate Interest
Joint Ventures		
Checon Shivalik Contact Solutions Private Limited	India	50%
Innovative Clad Solutions Private Limited	India	16.01%
Associate		
Shivalik Bimetal Engineers Private Limited	India	45%



SHIVALIK BIMETAL CONTROLS LIMITED

Registered Office: 16-18, New Electronics Complex, Chambaghat, Distt. Solan, Himachal Pradesh - 173213 (INDIA)

CIN:L27101HP1984PLC005862

Phone: +91-1792-230578

Email: investor@shivalikbimetals.com, Website: www.shivalikbimetals.com

ATTENDENCE SLIP

(to be handed over at the registration counter)

Name of the member (s):

Address:

.....

Folio No. / Client Id: DP ID:.....

No. of shares:.....

I/We hereby record my/our presence at the 35th Annual General Meeting of the Company on Wednesday, 11th day of September, 2019 at 4th floor, Hotel City Heights, City Centre Plaza, The Mall (Opposite District Courts), Solan (H.P.)- 173212, at 10.30 AM.

.....
First/sole holder/Proxy

.....
Second holder/Proxy

.....
Third holder/Proxy

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**Form No MGT 11
PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

SHIVALIK BIMETAL CONTROLS LIMITED

Registered Office: 16-18, New Electronics Complex, Chambaghat, Distt. Solan, Himachal Pradesh - 173213 (INDIA)

CIN: L27101HP1984PLC005862

Phone: +91-1792-230578

Email: investor@shivalikbimetals.com, Website: www.shivalikbimetals.com

Name of the member (s):
Registered Address:
..... E-mail ID:
Folio No. / Client Id: DP ID:.....

I/We, being the member (s) of shares of the Shivalik Bimetal Controls Limited, hereby appoint.

1. Name: Address:
EmailId: Signature:
2. Name: Address:
EmailId: Signature:
3. Name: Address:
EmailId: Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on Wednesday, 11th day of September, 2019 at 4th floor, Hotel City Heights, City Centre Plaza, The Mall (Opposite District Court), Solan (H.P)- 173212, at 10.30 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Ordinary Business
1.	To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated Financial Statements) of the Company for the financial year ended 31 st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2.	To confirm the payment of Interim Dividends and to declare a Final Dividend on Equity Shares for the financial year ended 31 st March, 2019.
3.	To appoint a Director in place of Mr. G.S. Gill (DIN: 00007393), who retires by rotation and being eligible, offers himself for reappointment.
Special Business	
4.	Ratification of Cost Auditors' Remuneration for the financial year 2019-20.
5.	Re-classification of promoters of the Company.
6.	Approval of revision in Remuneration of Mr. S. S. Sandhu, as Chairman & Whole Time Director of the Company.
7.	Approval of revision in Remuneration of Mr. N. S. Ghumman, as Managing Director of the Company.
8.	To approve the appointment of Ms. Anu ahluwalia as a Woman Independent Director of the Company.

Signed this day of 2019

Signature of Shareholder:

Signature of Proxy holder (s) :

Affix a Revenue Stamp of ₹ 1.00
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Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Route Map for 35th Annual General Meeting





SHIVALIK BIMETAL CONTROLS LIMITED

CIN: L27101HP1984PLC005862

H-2, Suneja Chambers, 2nd Floor, Alaknanda Commercial Complex,
New Delhi - 110019 (INDIA)

Phone : +91-11-26027174, 26028175

Fax : +91-11-26026776

Email : investor@shivalikbimetals.com

Website: www.shivalikbimetals.com