



Shivalik

SHIVALIK GLOBAL LIMITED

Unit No. 111, Block No. - 1, 1st Floor, Tribhuwan Complex, Ishwar Nagar, New Delhi - 110065

BOARD OF DIRECTORS

Shri Jai Prakash Aggarwal
Chairman cum Managing Director
Shri Sandeep Aggarwal, Joint Managing Director
Shri Sanjiv Kumar Aggarwal, Whole Time Director
Shri Vishal Aggarwal, Non Executive Director
Shri Randhir Singh, Nominee Director (HSIDC)
Shri Chandra Prakash Srivastava,
Independent Director
Shri Ghan Shyam Singhal, Independent Director
Shri Sureshchand Premchand Jain, Independent
Director
Shri Keshav Kumar Garg, Independent Director

Company Secretary

Vinit Sikka

Auditors

M/s M. M. Goyal & Co.
Chartered Accountants,
208, Allied House , 2nd Floor, Shahzada Bagh,
2, Old Rohtak Road, Inder Lok, Delhi-110035
Ph# 011- 23658434, 23659795

Bankers

Punjab National Bank, New Delhi
Oriental Bank of Commerce, New Delhi
UCO Bank, New Delhi
Union Bank of India, New Delhi

Registered office

Unit No. 111, Block No. 1, First Floor,
Tribhuwan Complex, Ishwar Nagar,
New Delhi - 110065
Ph# 011- 26935829-30
Fax# 011- 55628586

Corporate Office

12/6, Mile Stones, Mathura road,
Sarai Khawaja, Faridabad, Haryana - 121003
Ph# 0129- 2255301-304; Fax# 0129- 2278921

Registrar and Share Transfer Agent

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
LBS marg, bhandup (west) Mumbai -
Ph# 022- 25963838, 25960320;
Fax# 022- 25946969

Shares Listed at

Bombay Stock Exchange Limited, Mumbai
National Stock Exchange of India Ltd, Mumbai

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NOTICE OF NINTH ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth Annual General Meeting of the members of Shivalik Global Limited will be held on Thursday the 28th day of September 2006 at Auditorium, Banarasidas Chandiwala Estate, Maa Anandmayi Marg, Kalkaji, New Delhi, at 10:00 A.M. to transact the following business:-

ORDINARY BUSINESS

1. **To receive, consider, approve and adopt the audited Balance-Sheet as at 31st March, 2006 and the reports of the Directors and the Auditors and if thought fit to pass with or without modifications, the following as Ordinary Resolution:**

“RESOLVED THAT the Audited Balance Sheet of the Company as on 31st March, 2006 and Profit and Loss A/C for the year ended on that date, together with the Directors’ and the Auditors Reports thereon be and are hereby received, approved and adopted.”

2. **To appoint a Director in place of Mr. G. S. Singhal, who retires by rotation and being eligible offers himself for re-appointment and if thought fit to pass with or without modifications, the following as Ordinary Resolution:**

“RESOLVED THAT Mr. G. S. Singhal, whose period of office is liable to be determination by retirement of Directors by rotation and who has offered himself for re-appointment be and is hereby re-appointed as Director of the Company.”

3. **To appoint a Director in place of Mr. C. P. Srivastava, who retires by rotation and being eligible offers himself for re-appointment and if thought fit to pass with or without modifications, the following as Ordinary Resolution:**

“RESOLVED THAT Mr. C. P. Srivastava, whose period of office is liable to be determination by retirement of Directors by rotation and who has offered himself for re-appointment be and is hereby re-appointed as Director of the Company.”

4. **To appoint a Director in place of Mr. K. K. Garg, who retires by rotation and being eligible offers himself for re-appointment and if thought fit to pass with or without modifications, the following as Ordinary Resolution:**

“RESOLVED THAT Mr. K. K. Garg, whose period of office is liable to be determination by retirement of Directors by rotation and who has offered himself for re-appointment be and is hereby re-appointed as Director of the Company.”

5. **To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, and if thought fit to pass with or without modifications, the following as Ordinary Resolution:**

“RESOLVED THAT M/s M. M. Goyal & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

By Order of the Board
For SHIVALIK GLOBAL LIMITED

Sd/-

J. P. Aggarwal
(Chairman cum Managing Director)

Date: 06th July 2006
Place: Faridabad

NOTES:-

1. The Explanatory Statement, pursuant to section 173(2) of the Companies Act, 1956, with regard to the above stated resolution mentioned is enclosed.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A blank form of proxy is enclosed which if used should be returned to the Company duly completed not less than Forty Eight hour before the commencement of the meeting.
3. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their own copies to the meeting. We hope you will help us in our endeavor to control cost.
4. Members desirous of raising queries at the AGM are requested to send in their questions so as to reach the Company's Registered Office at least seven days in advance before the AGM so that the same can be adequately replied.
5. Members are requested to produce the enclosed Attendance Slip duly signed at the entrance to the Meeting. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
6. The Members are requested to notify the change of address, if any, immediately to the Company/Registrar quoting their folio numbers in respect of shares held in physical mode.
7. Non-Resident Indian Shareholders are requested to inform M/s. Intime Spectrum Registry Limited, Mumbai immediately about the change in the residential status on return to India for permanent settlement.
8. ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT ON DIRECTORS RECOMMENDED FOR RE-APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING:

Name of the Director	Mr. G. S. Singhal	Mr. C. P. Srivastava	Mr. K. K. Garg
Date of birth	05-09-1955	10-10-1942	20-04-1955
Nationality	Indian	Indian	Indian
Date of Appointment	23.07.2005	23.07.2005	23.07.2005
Qualifications	B. Com, C. A.	M. Sc., PHD, D.Sc.	B. A. LLB
Expertise in specific functional areas	Mr. Singhal is a practicing Chartered Accountant, engaged in Financial and Management Consultancy from last 26 years and helps in financial management of the Company	Mr. Srivastava has an experience of over 38 years in the areas of Educational Administration and of governing, controlling, monitoring different programmes. He was also actively involved in International Collaboration programmes	Mr. Garg is a practicing Tax Advocate in Allahabad High Court, having over 28 years of experience in Legal matters, including Company law, securities legislation and other general provisions of law. He provides direction on the legal concerns of the Company
Shareholding in SGL	NIL	NIL	NIL
Directorship in other Companies and membership of Committees	Companies: NIL Committees: 3	Companies: NIL Committees: NIL	Companies: NIL Committees: 3

EXPLANATORY STATEMENT

{Pursuant to provisions of section 173(2)}

As required under section 173(2) of the Companies Act, 1956. The Following Explanatory Statement set out all material facts relating to the business mentioned under notice convening Ninth Annual General Meeting.

ORDINARY BUSINESS

Item No. 2

Mr. G. S. Singhal, aged 50 years is the non-executive and independent director on the Board of the Company. He is a Commerce Graduate and is a Fellow Member of Institute of Chartered Accountants of India. He is a practicing Chartered Accountant, engaged in Financial and Management Consultancy from last 26 years and helps in financial management of the Company.

Mr. G. S. Singhal retires by rotation at this Annual General Meeting and being eligible offers himself to be re-appointed. The Board recommends his re-appointment. None of the directors except Mr. G. S. Singhal is concerned or interested in this resolution.

Item No. 3

Mr. C. P. Srivastava, aged 63 years is the non-executive and independent director on the board of the Company. He holds a Master Degree in Science, has done Ph. D. from the Agra College, Agra and D.Sc. from State University of Ghent, Belgium. He has an experience of over 38 years as an Executive Head and General Administrator. He worked as a Lecturer in Chemistry in Agra College, Agra. During his stay of 23 years in Union Grants Commission (UGC) he has been posted to number of responsible positions of Additional Secretary, Joint Secretary, Deputy Secretary and Education Officer. He has experience in different areas like Educational Administration of governing, controlling, monitoring different programmes and was actively involved with International Collaboration programmes. From 1994 to 1997, he was deputed as the Senior Advisor in All India Council for Technical Education (AICTE).

Apart from above exposures he has attended several International Conferences in India and Abroad.

Mr. C. P. Srivastava retires by rotation at this Annual General Meeting and being eligible offers himself to be re-appointed. The Board recommends his re-appointment. None of the directors except Mr. C. P. Srivastava is concerned or interested in this resolution.

Item No. 4

Mr. K. K. Garg, aged 51 years is the non-executive and independent director on the Board of the Company. He has done Bachelor in Arts with a degree of L.L.B. He is a practicing Tax Advocate in Allahabad High Court, having over 28 years of experience in Legal matters. He has the requisite expertise and knowledge in respect of matters relating to Company law, securities legislation and other general provisions of law. He provides direction on the legal concerns of the Company.

Mr. K. K. Garg retires by rotation at this Annual General Meeting and being eligible offers himself to be re-appointed. The Board recommends his re-appointment. None of the directors except Mr. K. K. Garg is concerned or interested in this resolution.

By Order of the Board
For SHIVALIK GLOBAL LIMITED

Sd/-

J. P. Aggarwal
(Chairman cum Managing Director)

Date: 6th July 2006
Place: Faridabad

Directors' Report

To
The members,

Your directors have pleasure in presenting the 9th Annual Report together with the Audited Statement of accounts for the year ended 31st March 2006.

Financial Results of your company for the year ended 31st March 2006 are as follows:

Year Ended March 31st	(Rs. in Crores)	
	2006	2005
Sales and other income	182.66	165.68
Profit (Before Depreciation and Tax)	16.05	14.29
Depreciation	5.67	6.57
Profit before tax	10.38	7.72
Provision for Tax	2.75	0.72
Provision for Deferred Tax	0.41	0.92
Provision for Fringe Benefit Tax	.07	-----
Profit after tax	7.15	6.08
Profit brought forward from previous year	19.96	13.87
Balance carried over to Balance sheet	27.11	19.96

Performance of your Company

Your company continued to improve its performance on all parameters during the period. Your company has effectively leveraged its assets, infrastructure and investments, resulting in improved productivity and performance for the period under review.

Your company continues to strengthen its pre-eminent position in domestic and international markets and has significantly grown its operating profits, with a mixture of top line growth, effective cost management and right product mix, resulting in profit after tax of Rs. 7.15 Crores as compared to Rs. 6.08 Crores of the previous year.

During the year under review, your Company has shown excellent results. The total income for the year ended 31st March, 2006 has increased to Rs.182.66 Crores as compared to previous years' Rs.165.68 Crores, registering a growth of 10.25%. The operating profit (PBIT) of the Company has increased by 12.32 % to Rs.16.05 Crores during the year, up from Rs.14.29 Crores in the previous year. The provision for taxation during the year was Rs.2.75 Crores. The Net Profit for the year has increased by 17.60 % to Rs.7.15 Crores up from Rs.6.08 Crores in the previous year.

Dividend

As there is a need of funds for Company's Expansion Programmes, so your directors do not recommend any dividend for the year ended on 31.03.2006.

Management Discussion and Analysis Report

The management of Shivalik Global Limited presents the analysis of performance of the company for the year 2005-2006 and the outlook for the future, which is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

Economic Scenario

Year 2005-06 was a year of India. Growing at a three yearly CAGR of 8% appears to indicate the beginning of a new phase of cyclical upswing in the economy from 2003-04. This makes India the second fastest growing economy in the world after China.

What is noteworthy is that in spite of high oil prices & volatility in the agricultural sector due to uneven monsoons, country has achieved a very positive overall growth performance.

Recent macro economic trends show that economic growth in India is becoming more balanced & more sustainable. Consumption led growth is now being balanced by a strong contribution from Investment-led sources of growth. In a bid to stimulate the growth further, the government has also announced a series of ambitious economic reforms.

- The FDI cap for aviation has been hiked from 40 to 49 per cent through the automatic route.
- Approved sweeping reforms in FDI with a first step towards partially opening retail markets to foreign investors by allowing 51 per cent FDI in single brand products in the retail sector.
- 100 per cent FDI allowed in new sectors such as power trading, processing and warehousing of coffee and rubber.
- FDI limit raised to 100 percent under automatic route in mining of diamonds and precious stones, development of new airports, ash and carry wholesale trading and export trading, laying of natural gas pipelines, petroleum infrastructure, captive mining of coal and lignite.
- Subject to other regulations, 100 percent FDI is allowed in distillation and brewing of potable alcohol, industrial explosives and hazardous chemicals.
- FDI Limits for telecom services firms raised to 74 per cent from 49 per cent.

India is also being increasingly seen as a quality reliable supplier to the world.

The outsourcing wave, initially led by software, is now in textiles and auto components.

The management's views on the Company's performance and outlook are discussed below:

OVERVIEW OF THE BUSINESS

The Company is operating in the textile sector both in the processing as well as product segment. It came into existence in the year 1997-98. The Company has the manufacturing plant at Faridabad. It commenced its operations by manufacturing of Knitted garments catering to the T-Shirts segment, Dyeing, Printing and processing of Woven fabric and Dyeing & Processing of Yarn. The knitted garment unit is presently engaged in Dyeing, Printing and processing of woven fabric, Dyeing and Processing of Yarn. At present, the Company has become a multi-divisional textile unit and has the facilities for Knitting of Fabric, Processing and Dyeing of Knitted Fabric and Manufacturing of Sewing Thread also.

Shivalik Global Ltd. has positioned itself as an integrated multi product company covering the entire textile value chain i.e. starting from the Processing of Yarn to the manufacture of Readymade Garments. The Company's vision is to prove its existence in the international market as one of the major player in the textile industry, by providing all related services in the garment manufacturing under one roof.

INDUSTRY OUTLOOK

Dismantling of the quota regime (multi fibre agreement) in the textiles and clothing segment has opened up large opportunities for growth in textiles and clothing for India in general and in particular for the Company.

Indian textile and clothing industry is one of the largest in the world. India is one of the few countries that has a presence across the entire value chain of the textiles and apparel business starting from fibre production, spinning, weaving/knitting, processing to garment manufacturing.

The first year of the quota era has seen a number of changes taking place in the textiles and clothing trade. The industry is witnessing realignment in the sourcing strategies of large global retailers and re-orientation of the buyer-supplier relationship. Most of-the buyers have moved beyond the basic requirement of price and quality and efficient service and provision of integrated solutions have become clear differentiators.

The Company recognizes the challenges of operating in a quota free world and has positioned itself to take advantage of these opportunities.

The broad thrust of the Company's strategy in the international and local markets is to become a One Stop Shop for their customers through:

- Having large world class integrated yet flexible manufacturing facilities for dyeing, printing and processing of woven fabrics and knitted yarns and garments;
- Setting up state-of-the-art garmenting facilities for the above fabrics to provide garment solutions for integrated service; and
- Providing world-class design based solutions for their customers.

The Company will invest significantly in the coming years in strengthening its manufacturing and marketing network.

With the large vertically integrated facilities, strong design, product development, strong marketing network and a large pool of technical and managerial talent, the Company is well poised to capitalize on the unfolding opportunities in textiles and knitted garments both in the international markets as well as in the domestic space.

The Company believes that the Government also has a significant role to play in the growth of this industry. The government recognizes the potential of this industry and is taking a number of steps to improve the competitiveness of this industry in the global market.

Public Issue and Utilization of Funds

During the month of March 2006 the Company came up with an Initial Public Offer (IPO) of 10000000 equity shares of the Company at a price of Rs. 60/- per share (Equity share of Rs. 10/- each issued for cash at a premium of Rs. 50/- per equity share). The subscription list was open from 9th March 2006 to 14th March 2006 and issue was fully subscribed. The shares of the Company got listed on BSE and NSE on 10th April 2006.

The Company in its Extra Ordinary General Meeting held on 5th June 2006 has passed a Special Resolution for approving the change in end use of IPO proceeds as per following table:

	Description	Original As per Offer documents	Revised Cost	Out of Issue Proceed	Debt / Proceeds from sale of Real Estate
I	Land	4.00	18.00	4.00	14.00
	Building	5.60	10.00	-	10.00
	Plant & Machinery (Garment)	7.00	3.00	-	3.00
II	(a) Expansion of Existing capacity for Knitting	2.76	6.00	6.00	-
	(b) Expansion of the existing capacity for Dyeing & Processing	6.24			
	(c) Expansion of the existing capacity of Yarn dyeing	2.50			
	(d) Expansion of the existing capacity of Dyeing, Printing and Processing of Woven Fabrics	5.00			
iii	Additional Working Capital	10.00	15.00	15.00	-
iv	Contingencies	2.90	1.71	1.71	-
v	Issue Expenses	4.00	4.87	4.87	-
vi.	Term Loan Repayment	10.00	8.00	8.00	-
vii	Acquisition Cost (Shyam Text international Ltd)	-	15.42	15.42	-
viii	Reallocation cost	-	4.00	-	4.00
ix	General Corporate Purpose	-	5.00	5.00	-
	Total	60.00	91.00	60.00	31.00

Rationale of change of end use of IPO Proceeds

Through this the benefits of Higher capacities will be available to the Company immediately, while in case of the expansion of its existing capacities as envisaged earlier, there would have been a considerable gestation period involved. Also the capacities that would now come under its fold are 145% higher in case of knitting of fabrics, 49% higher in case of dyeing and processing of knitted fabrics and 28% higher in case of printing and processing of woven fabrics

Margins of the merged entity will improve as STIL was more efficient in terms of capacity utilization and net margins were at higher. The stronger balance sheet size and higher promoter stake in the merged entity are also positives.

Acquisition of Shyam Tex International Ltd.

The company acquired Shyam Tex International Ltd (STIL) for a consideration of Rs 256.90 million (the consideration only being book value of Shyam Tex International Ltd) in the month of June 2006. As per the scheme, of acquisition the Company will acquire in the 1st phase 60% of the equity capital of Shyam Tex International at its book value of Rs 16.06 per share which has entailed a cash outflow of Rs 154.20 million.

In the Second phase Shyam Tex International would be merged with the Company through a stock swap deal.

Shyam Tex International is a 6 year old integrated textile unit having installed capacities detail as under:

Particulars	Current Capacity of STIL
Readymade Garments (million Pcs)	1.5
Dyeing & Processing of Woven Fabrics (million mtrs.)	21.60
Knitting of Frabics (MT)	4200
Dyeing and Processing of Knitted Fabrics (MT)	4800

Shyam Tex International has achieved a turnover of Rs 97.80 crore with an approximate net profit of Rs 3.56 crores for the year ending 2005-06. Some of the Company's European buyers include: Next French Connection, Debenhen, Mango, Burton etc. Shyam Tex International Ltd is situated at a prime location on main National Delhi - Agra highway.

Rationale for acquisition of Shyam Tex International Ltd.

Your Company after this acquisition of Shyam Tex International would now have the benefits of higher capacities and better economies of scale which would be available to it immediately without any gestation period. Moreover, the cost of expansion through this proposed acquisition of Shyam Tex International is significantly lower as compared to the original envisaged proposed expansion programme of your Company.

Earlier your Company, had finalized an expansion programme at its existing facilities and had proposed to set up a garment manufacturing unit near Faridabad but after this proposed acquisition of Shyam Tex International the expansion at existing facilities will not be taken up but instead the capacities that would now come under its fold through this proposed acquisition will be 145% higher in the case of knitted fabrics, 49% higher in case of dyeing and processing of knitted fabrics and 28% higher in case of dyeing and processing of woven fabrics. The proposed 36% increase in the capacities of dyeing and processing of yarn as planned earlier, which anyway was a low-margin business segment, will not be taken up for now. Your Company however shall be installing the de-bottlenecking equipments at its existing facilities amounting to Rs 60 million.

The acquisition as explained earlier has been done at book value of Shyam Tex International which means no premium or goodwill has been paid for the running established business, possible revaluation of assets of prime land, and a well established clientele book. It will also remove any possible doubts regarding conflict of interest amongst prospective investors as Shyam Tex International was technically a group company though

independently managed by Sh. Vishal Aggarwal, who now has been inducted on the Board of your Company.

The Management is committed to enhance the shareholders value and will ensure highest degree of transparency and corporate governance and the interest of minority shareholders will always be a top priority.

Proposed Re-location of plant

Your company is in process of acquiring 15 Acres land from the Government of Haryana for which the application has already been moved and 10% of initial payment amounting to Rs.1.51 Crores has already been deposited at their advise. This land will be partly utilized for setting up 2.1 Million Pcs Garmenting facility and further the existing manufacturing facility at Faridabad will be relocated to the new site.

The relocation will make the 4.856 acre land at Faridabad, which is situated at a prime location available for alternative uses. **The company plans to develop this land for commercial use and plans to sell 4 lakh square feet of space.** Conservatively, this will give a gross realization of Rs.320 crores for SGL, which will come in FY08 and FY09.

Opportunities and Threats

The opening of the international markets has thrown a host of opportunities with unique set of challenges. The margins, though, are under pressure due to severe competition from other countries, specially China. The company's focus is towards value added garments where designing, skills are involved and threat from China in this segment of garments is not there.

The Company will continue to stress on maintaining and further improving quality standards, reducing lead-time in servicing orders, introducing leading edge fashion products to meet the new set of challenges. The competition will not only intensify in the international markets but also in the domestic markets. Various countries, especially the developed nations may, however, increasingly resort to protectionist measures or regional trade agreements to protect their domestic textile & clothing industry, which has been severely impacted by the imports of low cost products from China.

Despite all round positive developments, the Indian textile sector faces a number of challenges, foremost being infrastructure and inflexible labour laws.

Rising oil prices and inadequate power supply situation in the State of Haryana could result in higher input prices.

Segment Reporting

In view of the integrated nature of business in its entirety there are no separate segments within the company as defined by accounting standard - 17 (segmental reporting) by the ICAI.

Fixed Deposits

During the period under review your company has not accepted any fixed deposits under section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit, rules) 1975.

Listing of Shares

The equity shares of your company got listed at Bombay Stock Exchange, Mumbai and National Stock Exchange, Mumbai on 10th of April 2006 and the listing fees for the year 2006 -2007 had been paid at the time of Listing.

The company's shares are compulsorily traded in De-Materialized form.

Share Capital

During the period under review, your company has increased its Authorized share capital from Rs. 15.00 Crores

to Rs. 26.00 Crores in order to be capable of making a public issue of 10000000 equity shares to the public.

In view of this paid up capital of your company stands increased from Rs.14,25,26,800/- to Rs. 20,58,45,400/- (Allotment Money of Rs. 5/- per share was due on 7336280 issued shares) as on 31st march 2006.

Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the Company. The Company believes that good corporate governance contemplates that corporate governance balance the interest of all stakeholders and satisfy the tests of accountability, transparency and fair play. The Company believes that all its operations and actions must be directed towards enhancing overall shareholder value.

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings with its shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering themselves the trustee of its shareholders aims at maximizing shareholders' value and protecting the interest of other stakeholders.

The report on Corporate Governance is annexed and forms part of the Directors' Report (Annexure - III).

Your Company has complied with the requirements regarding Corporate Governance as stipulated under revised Clause 49 of the Listing Agreement with the stock exchanges. A report on Corporate Governance along with your Company's Auditors' Certificate dated 6th July 2006 confirming the compliance of the conditions of the Corporate Governance is attached to this report.

Formation of various Committees

Details of various committees constituted by the board of directors are given in the corporate governance report annexed and form part of this report.

Directors

Retirement by rotation

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company, Shri Ghan Shyam Singhal, Sh. Keshav Kumar Garg, and Shri Chandra Prakash Srivastava, independent directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. For the perusal of shareholders, a brief resume of all above directors, containing their age, qualifications, experience are given in the explanatory statement to the notice calling Annual General Meeting.

Necessary resolutions are being proposed for their re-appointment as directors at the ensuing Annual General Meeting of the company.

The board of directors recommends their re-appointment.

Director's Responsibility Statement

Pursuant to provisions of section 217(2AA) of the Companies Act, 1956 and on the basis of information and advice received by them, your directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. That the directors 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 as on 31st March 2006 and of the profit or loss of the company for the year ended on that date.

3. That the directors have taken sufficient and proper care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
4. That the directors have prepared the annual accounts on a Going Concern Basis.

Consolidated Accounts

As on 31st March 2006, the Company was not having any subsidiaries, so the provisions of clause 32 of the listing agreement with the stock exchanges and accounting standard 21 prescribed by the Institute of Chartered Accountants of India relating to consolidated accounts were not applicable to the Company on that date. However your company has acquired 60% shareholding in M/s Shyam Tex International Limited (one of the group companies of SGL) in the month of June 2006, so the provisions relating consolidated accounts shall be complied with by the company from next Financial Year onwards.

Subsidiary Companies

During the year 2005-2006 Company was not having any subsidiaries, but your company has acquired 60% shareholding in M/s Shyam Tex International Limited (one of the group companies of SGL) in the month of June 2006. Thus M/s Shyam Tex International Limited has now become a subsidiary of Shivalik Global Limited in accordance with the provisions of section 4 of the Companies Act 1956.

Auditors and Auditor's Report

The statutory auditors, M/s M. M. Goyal & Co., Chartered Accountants, New Delhi, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and Board of Directors recommend that M/s M. M. Goyal and Co., be re-appointed statutory auditors of the company to hold office until the conclusion of the next annual general meeting. The company has received confirmation that their appointment will be within the limits prescribed under section 224(1b) of the companies act, 1956.

The notes to the accounts referred to in auditor's report are self explanatory and therefore do not call for any further explanation under section 217(3) of the Companies Act, 1956.

"Group" for inter-se transfer of shares

As required under clause 3(e) of the Securities and Exchange Board of India (substantial acquisition of shares and takeovers) regulation, 1997, persons constituting group (within the meaning as defined in the Monopolies and Restrictive Trade Practices act, 1969) for the purpose of availing exemption from the applicability of the provisions of regulation 10 to 12 of the aforesaid SEBI regulations are given in annexure I attached herewith and the said annexure I forms part of this Director's report.

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure

a) Conservation of energy

Information on Conservation of energy required to be disclosed under section 217(1) (e) of the Companies Act 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1998, are provided as under:

The Company is having Boiler for generation of steam power having a capacity of producing 15 tonnes of steam Per Hour. During the year under review production of steam was 82236 tonnes.

At present our Company is also having 5 generators having capacity of 625 KVA each. Total generation of electric units during the year under review was 1837852 units.

Effluent Treatment Plant (ETP) is also working efficiently treating appx. 350000 liters of water on per day basis.

Your company is taking all efforts to keep the environment of the plant and surroundings as clean and green as possible through implementation of environmental Management Programmes.

b) Technology Absorption

Your Company is working with the best available technology in the area of dyeing, printing and garment manufacturing. Time to time the present technology is being updated as required.

Your Company has taken advantage of the implementation of information technology through plant wide network for quick decision making and faster preventive actions.

c) Foreign Exchange Earnings and outgo

The particulars regarding foreign exchange earnings and expenditure are annexed hereto as annexure - II and forms part of this annual report.

Cautionary Statement

This report contains forward looking statements which may be identified by their use of words like plans, expects, anticipates, believes, intends, projects or other words of similar meaning. All this forward looking statements are based on certain assumptions and 'expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

The management further feels that quarter to quarter performance comparison would not be ideal way of reviewing the company's performance in view of the changing transaction dynamics which might result into some of the key assignments getting prolonged and the incidence of the revenues either spill over to next quarter or pushed on to a longer time scale than anticipated.

Personnel

The board of directors sincerely acknowledges the exemplary dedication of all its employees, which contributed to the improved performance. Our industrial relations continue to be cordial, the employees are provided with in-house training and they have been empowered and progressively more responsibility thereby involving them in day-to-day decision making. The spirit of trust transparency and dignity along with opportunity to explore and implement their dreams and also give the employees encouragement and the yearning to perform.

The number of employees as on 31st March 2006 was 720

The information as per section 217 (2A) of the companies act, 1956 read with companies (particulars of employees) rules 1975 is NOT APPLICABLE to the Company.

Acknowledgement

Your directors take this opportunity to thank all our people for their dedicated service and contribution made towards the growth of the company. Your Company's consistent growth has been made possible due to hard work, service, excellence, solidarity, co-operation and support of all employees of the company working at different levels.

Your directors also express their deep sense of gratitude to Bankers, Financial Institutions, Central and State Government officials, Vendors, Traders, Solicitors, Advisors and all our well wishers for their continuance guidance and support.

And to you our shareholders we are deeply grateful for the confidence and faith that you have placed in us.
For and on behalf of Board of Directors

J. P. Aggarwal
(Chairman cum Managing Director)

Place: Faridabad
Date: 6th July 2006

ANNEXURES TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2006

Annexure - I

The following is the list of persons constituting "Group" (within the meaning as defined in the Monopolistic and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulations 10 to 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as provided in Clause 3 (e) of the said Regulations:

S. No.	Particulars	S. No.	Particulars
01	Shyam Tex International Ltd	16	Mr. Vimal Aggarwal
02	Target Fashions Limited	17	Mrs. Jyoti Aggarwal
03	Gandhar Exports Limited	18	Mrs. Savitri Aggarwal
04	Gandhar Petrochemicals Ltd	19	K. N. Aggarwal (HUF)
05	Demaco Polymers Ltd	20	Mr. Vishal Aggarwal
06	Vinsan Healthcare Ltd	21	Mrs. Sangeeta Aggarwal
07	S. D. Chem Pvt. Ltd	22	Mrs. Rachna Jain
08	Ruchi India Limited	23	Mr. Sharad Jain
09	N. B. Welcome Chemicals P. Ltd	24	Mrs. Bhawna Goenka
10	Mr. Jai Prakash Aggarwal	25	Mr. Navneet Goenka
11	Mrs. Sumitra Aggarwal		
12	Mr. Sandeep Aggarwal		
13	Mrs. Viniti Aggarwal		
14	Mr. Naresh Aggarwal		
15	Mrs. Sunita Aggarwal		

Annexure - II

Foreign Exchange Earnings and Outgo

(In Rupees)

	Current Year	Previous Year
(I) Foreign exchange earned (Including export of goods on FOB basis)	20,80,92,544	22,21,83,874
(II) Foreign exchange used	1,10,06,938	1,45,46,279

Annexure - III

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Corporate Governance is the mechanism by which the values, principles, management policies and procedures of a corporation are given practical form by adoption of same in the Company's operations. The essential elements of corporate governance are transparency, accountability, and integrity. Today, almost every country has formed & adopted a set of corporate governance codes, spelt out best practices and has sought to impose appropriate board structures.

Following are the details of compliances by the Company with the provisions of clause 49 of the Listing Agreement with domestic stock exchanges pertaining to good Corporate Governance:

1. Company's Philosophy on Corporate Governance

Your Company is committed to good Corporate Governance in all its activities and procedures. Your Company believes in transparency, empowerment, accountability, motivation, respect for law and fair business and corporate practices with all its stakeholders. These principles being followed since inception have helped the company in its sustained growth. Your Company believes that good corporate governance generates goodwill among business partners, customers, and investors, earns respect from society, brings about a consistent sustainable growth for the Company and generates competitive returns for the investors. The Board of Directors shall endeavor to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term shareholder value, while at the same time respecting the rights of all stakeholders.

COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

The share of the Company got listed on 10th of April 2006 with BSE and NSE since then your Company is in full compliance with the requirements under Clause 49 of the Listing Agreement with Stock Exchanges. The statutory auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is enclosed herewith.

Board of Directors

Composition and Category

The Board of directors consists of professionals drawn from diverse fields. The majority of directors on the board are Non-executive and independent directors. The day to day management of the Company is conducted by the Chairman cum Managing Director subject to the supervision and control of the Board of Director

As at 31st March 2006, the composition of Board of Directors consists of 4 executive directors and 6 non-executive directors. The Board takes all key decisions only after detailed deliberations and discussions. The members of the Board possess adequate experience, expertise and skills necessary to manage the affairs of the Company in the most efficient manner. The Board acts with autonomy and independence in exercising strategic decision making process and discharging its fiduciary responsibilities.

The board members are presented with all the relevant information on all vital matters affecting the working of company as well as those, which require deliberations at highest level.

The size and composition of the Board confirms to the requirements of Corporate Governance Norms as stipulated under the provisions of listing agreement entered into with the stock exchanges.

The meetings of the Board of Directors are scheduled well in advance and held at the company's corporate office at Faridabad. The notice and agenda of Board meetings are sent well in advance to all the Directors.

During the year under review, 4 Board Meetings were held viz. 21st June 2005, 25th August 2005, 07th November 2005, and 17th February 2006.

Details of attendance of each director at the Board Meetings, Last Annual General Meeting, number of shares held, number of other directorships and membership in committees thereof are as under:

As at 31st March 2006

Name of Director and Business Relationship	Position	No. Of Shares held in the company	No. Of other Director- ships	No. of other Com- mittee Memberships held#	
				Chairman	Member
Sh. Jai Prakash Aggarwal (Chairman cum Managing Director)	Executive Director	2864050	6	1	0
Sh. Sandeep Aggarwal (Joint Managing Director)	Executive Director	1719680	2	0	2
Smt. Sumitra Aggarwal (Whole Time Director, resigned as Whole-time Director w.e.f 2nd May 2006)	Executive Director	3346850	1	0	0
Sh. Sanjiv Kumar Aggarwal (Whole Time Director)	Executive Director	2000	0	0	1
Sh. S. P. Jain (Director)	Independent & Non Executive Director	NIL	8	1	1
Sh. K.K.Garg (Director)	Independent & Non Executive Director	NIL	0	1	2
Sh. G.S.Singhal (Director)	Independent & Non Executive Director	NIL	0	1	2
Sh. C.P.Srivastava (Director)	Independent & Non Executive Director	NIL	0	0	0
Sh. Randhir Singh (Nominee Director HSIDC)	Independent & Nominee Director	NIL	6	0	0
Sh. Avinash Kumar Saxena, Nominee Director IFCI	Independent & Nominee Director	NIL	0	0	0

It relates to audit committee, share holders grievance committee and Remuneration Committee only.

Particulars of Directors attendance are given below:

Name of Director and Business Relationship	No. of Board Meetings attended during the year	Attendance at Eighth Annual General Meeting held on 30th September 2005
Sh. Jai Prakash Aggarwal (Chairman cum Managing Director)	4	Present
Sh. Sandeep Aggarwal (Joint Managing Director)	4	Present
Smt. Sumitra Aggarwal (Whole Time Director)	4	Present
Sh. Sanjiv Kumar Aggarwal (Whole Time Director)	3	Present
Sh. S. P. Jain (Independent Director)	1	Absent
Sh. K. K. Garg (Independent Director)	2	Present

Sh. G. S. Singhal (Independent Director)	3	Present
Sh. C. P. Srivastava (Independent Director)	2	Absent
Sh. Randhir Singh (Independent Director)	1	Absent
Sh. Avinash Kumar Saxena (Nominee Director)	2	Absent

Notes on Directors appointment/ re-appointment

Sh. Keshav Kumar Garg, Sh. Ghanshyam Singhal and Sh. Chandra Prakash Srivastava, Directors of the company, are retiring at the ensuing Annual General Meeting and are eligible for re-appointment. Details of Sh. Keshav Kumar Garg, Sh. Ghanshyam Singhal and Sh. Chandra Prakash Srivastava are given in the annexure forming part of the notice calling Annual General Meeting of the company.

BOARD COMMITTEES

A. Audit Committee

Broad terms of reference

The Audit Committee of the Board deals with all matters relating to oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible; reviewing annual and quarterly financial statement with management before submission to the board; reviewing the adequacy of internal controls systems with management, external and internal auditors and reviewing the Company's financial risk and management policies, etc. The Audit Committee reports to the board from time to time. The Company has Re- constituted an Audit Committee in the last Annual General Meeting held on 30th day of September 2005.

The role and terms of reference of the Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement with the Stock exchanges and section 292A of the Companies Act 1956 besides other terms as may be referred by the board of directors and inter-alia includes the following:

POWERS

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To have full access to information contained in the records of the company and external professional advice, if necessary.

FUNCTIONS

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the fixation of audit fee and for payment for any other services.
3. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.

- Any related party transactions i.e., transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- 4. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- 5. Reviewing the half-yearly financial statements before submission to the Board.
- 6. 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.
- 7. Discussion with internal auditors any significant findings and follow up thereon.
- 8. 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.
- 9. Discussion with External Auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- 10. Reviewing the Company's financial and risk management policies.
- 11. To look into reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 12. Any other functions that may be assigned by the Board to the Audit Committee from time to time.

The Audit Committee also reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Composition and attendance during the year ended 31st March 2006

Four meetings of the Audit Committee were held during the year 2005-06 at the following dates:

- | | |
|----------------------|----------------------|
| 1. 18th May 2005 | 2. 8th August 2005 |
| 3. 3rd November 2005 | 4. 12th January 2006 |

The re-constituted audit committee presently comprises three directors and two of which are Non-executive and Independent directors. All the directors of the Committee are financial literate and Chairman is a Chartered Accountant by profession having specialized knowledge in the field of Finance & Accounts.

Earlier Audit Committee

S. No.	Name of the Member	Category	No. of meetings attended
1.	Sh. Jai Prakash Aggarwal	Chairman	2
2.	Sh. Sandeep Aggarwal	Member	2
3.	Smt. Sumitra Aggarwal	Member	2

Re-Constituted Audit Committee

S. No.	Name of the Member	Category	No. of meetings attended
1.	Sh. Ghan Shyam Singhal	Chairman	2
2.	Sh. Sandeep Aggarwal	Member	2
3.	Sh. Keshav Kumar Garg	Member	2

The Statutory Auditors and CFO of the Company are permanent invitees to the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

The minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

B. Remuneration Committee

The members of the Company in the last Annual General meeting held on 30th September 2005 have constituted a Remuneration Committee consisting of Mr. S. P. Jain, Mr. K. K. Garg and Mr. G. S. Singhal all being Independent and Non Executive Directors. The terms of reference of the 'Remuneration Committee' includes review and recommendation to the Board of Directors on remuneration payable to Executive Directors of the Company and other terms of employment of executive directors within the overall ceiling fixed by members of the Company. The terms of reference of the Committee is as per the provisions of the Companies Act, 1956 and clause 49 of the Listing Agreement with Stock Exchanges.

Remuneration Policy- For Executive Directors

The Executive Directors are paid remuneration in terms of the resolutions passed by the members at the General Meetings. The details of terms of the remuneration payable to "Executive Directors" are as under:

1. Mr. Jai Parkash Aggarwal-Chairman cum Managing Director

A) **Appointment** : For a period of 5 years effective from 28/02/2005

B) Remuneration

C) : From 28/02/2005 to 27/02/2010

1. Basic Salary : Rs. 45000 Per Month
2. House Rent Allowance : Rs. 18750 Per Month
3. Conveyance Allowance : Rs. 11250 Per Month
4. Contribution to provident fund and superannuation funds as per the rules of the company.
5. Medical benefits for self and family provided that the total expenses on this account should not exceed Rs. 45000/- per year being one month basic salary.
6. Leave and Leave travel allowance as per the prevailing policy of the Company."

2. Sandeep Aggarwal, Joint Managing Director

A) **Appointment** : For a period of 5 years effective from 28/02/2005

B) **Remuneration** : From 28/02/2005 to 27/02/2010

1. Basic Salary : Rs. 36000 Per Month
2. House Rent Allowance : Rs. 15000 Per Month
3. Conveyance Allowance : Rs. 9000 Per Month
4. Contribution to provident fund and superannuation funds as per the rules of the company.
5. Medical benefits for self and family provided that the total expenses on this account should not exceed Rs. 36000/- per year being one month basic salary.
6. Leave and Leave travel allowance as per the prevailing policy of the Company."

3. Smt. Sumitra Aggarwal as Whole Time Director

A) **Appointment** : For a period of 5 years effective from 28/02/2005

B) **Remuneration** : From 28/02/2005 to 27/02/2010

1. Basic Salary : Rs. 30000 Per Month
2. House Rent Allowance : Rs. 12500 Per Month
3. Conveyance Allowance : Rs. 7500 Per Month
4. Contribution to provident fund and superannuation funds as per the rules of the company.
5. Medical benefits for self and family provided that the total expenses on this account should not exceed Rs. 30000/- per year being one month basic salary.
6. Leave and Leave travel allowance as per the prevailing policy of the Company."

Smt. Sumitra Aggarwal has resigned as a Whole Time Director of the Company w.e.f. 2nd May 2006.

4. Sh. Sanjiv Kumar Aggarwal, Whole Time Director

C) **Appointment** : For a period of 5 years effective from 01/10/2005

D) **Remuneration**: From 01/10/2005 to 30/09/2010

1. Basic Salary : Rs. 21000/- Per Month
2. House Rent Allowance : Rs. 8750/- Per Month
3. Conveyance Allowance : Rs. 5250/- Per Month
4. Contribution to provident fund and superannuation funds as per the rules of the company.
5. Medical benefits for self and family provided that the total expenses on this account should not exceed Rs. 21000/- per year being one month basic salary.
6. Leave and Leave travel allowance as per the prevailing policy of the Company.

Remuneration Policy- For Non- Executive Directors

In view of notification from Ministry of Finance, Department of Company affairs dated July 24th 2003 sitting fees of Rs. 2000/- per meeting were paid to Non-Executive Directors for each meeting of the Board, Audit Committee and Remuneration Committee attended by them.

Composition and attendance in Remuneration Committee during the year ended 31st March 2006

S. No.	Name of the Member	Category	No. of meetings attended
1.	Sh. S. P. Jain	Chairman	1
2.	Sh. K. K. Garg	Member	1
3.	Sh. G. S. Singhal	Member	1

One Meeting of the Remuneration Committee was held during the year on 15th December 2005.

Remuneration to Directors

In respect of the financial year 2005-2006, the following sitting fees and remuneration were paid to directors:

Non-Executive Directors

Name	Sitting Fees paid during FY 2005-06		(Amount in Rupees)
	Board Meeting	Committee Meeting	TOTAL
Sh. G. S. Singal	3	3	12000/-
Sh. K. K. Garg	2	3	10000/-
Sh. C. P. Srivastava	2	0	4000/-
Sh. S. P. Jain	1	1	4000/-
Sh. Randhir Singh	1	0	2000/-
Sh. Avinash Kr. Saxena	2	0	4000/-

C. Share Transfer & Investor Grievances Committee

The members of the Company in the last Annual General meeting held on 30th September 2005 have constituted a Share Transfer & Investor Grievance Committee, consisting of Mr. J. P. Aggarwal and Mr. Sandeep Aggarwal. The terms of reference of the committee cover following:

- the redressing of investors' complaints like transfer of shares, transmission of shares, splitting of share certificates, issue of duplicate share certificates non-receipt of financial statements and Company Reports, non-receipt of declared dividends etc.
- the approval of the transfer of shares that are lodged with company for transfers.
- the performance appraisal of the Registrar and Transfer Agents of the company and recommends

- measures for overall improvement in the quality of investors services.
- the implementation and compliance of the Company's code of conduct for prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.
- the monitoring of the information regarding the trading of the Company's shares on the stock exchanges"

In the meeting of Board of Directors held on 12th April 2006 the above committee has been split in to following 2 committees:

1.) Share Transfer Committee

S. No.	Name of the Member	Designation	Category
1.	Sh. J. P. Aggarwal	Chairman	Chairman cum Managing Director
2.	Sh. Sandeep Aggarwal	Member	Joint Managing Director
3.	Sh. S. K. Aggarwal	Member	Whole Time Director

The terms of reference of Share Transfer Committee cover the following matters:

- Transfer/Transmission of Shares;
- Issue of duplicate share certificates;
- Review of Shares dematerialized / rematerialized and other related matters;
- Performance appraisal of the Registrar and Transfer Agents of the company with regard to handling of Transfer Requests.
- The Share Transfer Committee Meetings are held at least twice in a month.

2.) Investor's Grievance Committee

S. No.	Name of the Member	Designation	Category
1.	Sh. K. K. Garg	Chairman	Independent Director
2.	Sh. G. S. Singhal	Member	Independent Director
3.	Sh. S. P. Jain	Member	Independent Director

The terms of reference of Investor Grievance Committee cover the matters specified under Clause 49 of the Listing Agreement with Stock Exchanges.

The Company Secretary has been designated as Compliance Officer.

During the year 2005- 2006 Company has not received any Complaints from shareholders. As on 31st March 2006 there were no pending share transfers.

Investor Services

Your Company has already appointed M/s Intime Spectrum Registry Limited, as the Registrar and Transfer Agent, who had adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster service to the investors.

Name and Address of Compliance officer

Mr. Vinit Sikka
Company Secretary and Compliance Officer
Shivalik Global Limited
12/6, Mile Stones, Mathura Road,
Saria Khawaja, Faridabad
Haryana -121003

Contact No. 0129-2255301-304
Fax No. 0129-2278921
E-mail - vinitikka@shivalikglobal.com

General body Meetings

Location and Time where last three Annual General Meetings were held is given below

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2002-2003	29th September 2003	B-1/G-3, Mohan Co-Op. Ind. Area, Mathura Road, New Delhi	11:00 A.M.	Nil
2003-2004	15th September 2004	B-1/G-3, Mohan Co-Op Ind. Area, Mathura Road, New Delhi	11:00 A.M.	Nil
2004-2005	30th September 2005	Unit No. 111, Block No. - 1, 1st Floor, Tribhuwan Complex, Ishwar Nagar, New Delhi - 110065	11:00 A.M	2

Disclosures

a) Disclosure on Materially significant related party transaction

There is no material significant related party transactions entered into by the company with its promoters, directors or the management their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

Transactions with related parties are disclosed in notes to the accounts in this annual report.

b) Details of Non Compliance by the Company

The company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Bodies on all matters related to Capital Markets during the year under review.

No Penalties or strictures were imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years.

c) Code of Conduct

The Board of Directors have adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the Directors and the Members of the Senior Management. The Code has also been posted on Company's website www.shivalikglobal.com. The Company has obtained declarations from its directors and Senior Management personnel affirming their compliance with the applicable code of conduct.

d) CEO / CFO Certificate

The Chairman cum Managing Director and the Chief Financial Officer of the Company have furnished the requisite certificate to the Board of Directors under clause 49 VII of the Listing Agreement.

Means of Communication

a) Quarterly, Half-yearly and Annual Results

The provisions of Listing Agreement with stock exchanges become applicable to the Company w.e.f. 10th April 2006 (i.e. the date from which equity shares of the company were allowed to be listed at BSE and NSE) onwards. Your Board of Directors assures that they will approve and takes on record quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within one month of close of the reporting period from the quarter ended 30.06.2006 onwards.

In compliance with Clause 41 of the Listing Agreement, the Company will be sending the quarterly / half yearly / audited results to stock exchanges within 15 minutes of the end of the Board Meetings at which they are taken on record. As your company got the listed on the Stock Exchange on 10th of April 2006 hence the provisions of the Listing Agreement with stock exchanges have become applicable to the Company from 10th April 2006 onwards.

- b) From 10th April 2006 onwards the Company has started informing by way of information to the stock exchanges all price sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders.
- c) The Company's financial results and official news releases are displayed on the Company's website www.shivalikglobal.com
- d) As the Company's quarterly / half-yearly / annual financial results are published in press and also posted on its website, the same are not mailed to the shareholders.

General Shareholder Information

A. 9th Annual General Meeting

Date	Time	Venue
28th September 2006	10:00 A. M.	Auditorium, Banarasidas Chandiwala Estate, Maa Anandmayi Marg, Kalkaji, New Delhi

B. Financial Calendar (April to March)

(tentative and subject to change)

Period	Approval of Quarterly results
For the 1st quarter ending 30.06.2006	: 4th Week of July, 2006
For the 2nd quarter & half year ending 30.09.2006	: 4th Week of October, 2006
For the 3rd quarter ending 31.12.2006	: 4th Week of January, 2007
For the year ending 31st March, 2007	: Audited Results are declared in June, 2007 as permitted in Listing Agreement
Limited Review by the Auditors	: August end, 2006 November end, 2006 February end, 2007

C. Listing on Stock Exchanges:

(a) The Equity Shares of the Company are listed on the following Exchanges:

- 1.) **Bombay Stock Exchange Limited (BSE)**
P. J. Towers, Dalal Street, Fort Mumbai - 400 001
- 2.) **National Stock Exchange of India Limited (NSE)**
"Exchange Plaza", Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051

Listing fee for the year 2006-2007 has been paid to the above Stock Exchanges.

- (b) Depositories:
1. **National Securities Depository Limited (NSDL)**
Trade World, 4th Floor, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
 2. **Central Depository Services (India) Limited**
Phiroze Jeejeebhoy Towers, 28th Floor, Dalal
Street, Mumbai - 400 023

Annual issuer charges for the year 2006-2007 have been paid to the above depositories

D. Stock Code:

- | | | |
|----------------------------------|---|--------|
| 1. Bomaby Stock Exchange Limited | : | 532730 |
| 2. National Stock Exchange (NSE) | : | SGL |

E. Market Price Data (for financial year 2005-06) NOT APPLICABLE

F. Registrar and Transfer Agents

M/s Intime Spectrum Registry Limited are the Registrar and Transfer Agents of the Company for both physical and Demat Shares and their address is given below:

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W)
Mumbai 400 078

Contact Person
Mr. Vishwas Attvar

G. Share Transfer System:

All the transfers received are processed by the Registrar and share Transfer Agents and are approved by the Transfer Committee, which normally meets twice in a month or more depending on the volume of transfers. Share transfers are returned within maximum of 30 days from the date of lodgment if documents are complete in all respects.

All valid share transfers till 30.06.2006 have been acted upon.

Your board also assures that it will comply with Clause 47 (c) of the Listing Agreement with the stock exchanges, and a certificates, on half yearly basis, shall be taken from a Company Secretary-in-Practice for due compliance of the share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates shall also be taken from a Company Secretary in Practice for timely dematerialization of the shares of the Company and for conducting secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India - National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

The Company's shares are regularly traded on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE)

Distribution of Shareholding as on 31st March 2006 (Fully Paid Up Shares)

Number of shares category	Number of shareholders		Equity Shares held in each category	
	Holders	% of Total	Total Shares	% of Total
1 to 5000	8874	97.21	1196794	7.08
5001 to 10000	209	2.29	123806	0.73
10001 to 20000	14	0.15	18629	0.11
20001 to 30000	1	0.01	2500	0.01
30001 to 40000	1	0.01	3534	0.02
40001 to 50000	0	0.00	0	0.00
50001 to 100000	2	0.02	17670	0.11
100001 and above	28	0.31	15553467	91.94
TOTAL	9129	100	16916400	100

Distribution of Shareholding as on 31st March 2006 (Partly Paid Up Shares)

Number of shares category	Number of shareholders		Equity Shares held in each category	
	Holders	% of Total	Total Shares	% of Total
1 to 5000	8078	77.13	2330604	31.77
5001 to 10000	2129	20.33	2269028	30.93
10001 to 20000	216	2.06	505180	6.88
20001 to 30000	11	0.11	54850	0.75
30001 to 40000	0	0.00	0	0.00
40001 to 50000	11	0.10	110000	1.50
50001 to 100000	8	0.08	141086	1.92
100001 and above	20	0.19	1925532	26.25
TOTAL	10473	100	7336280	100

Shareholding Pattern as on 31st March 2006

S. NO.	Category	No. of Shares	% of total
1.	Promoters Holding		
	Promoters	14252680	58.77
2.	Institutional Investors		
	Mutual Funds & UTI	1420643	5.86
	Banks/ FIS / Insurance Co.	814657	3.36
3.	Others		
	Private Corporate Bodies	246967	1.01
	Indian Public	6780433	27.96
	NRIs / OCBs	737300	3.04
	TOTAL	24252680	100.00

Plant Locations

At present the plant of the Company is located at 12/6, Mile Stones, Mathura Road, Sarai Khawaza, Faridabad, Haryana 121003.

Address for Correspondence:

The shareholders may address their communications / suggestions / grievances / queries to:

Mr. Vinit Sikka

Company Secretary and Compliance Officer

Shivalik Global Limited

12/6, Mile Stones, Mathura Road,

Sarai Khawaza, Faridabad, Haryana-121003,

Ph# 0129 - 2255301-304, Fax# 0129-2278921

E- Mail: investors@shivalikglobal.com

NON-MANDATORY REQUIREMENTS

A) CHAIRMAN OF THE BOARD

The Company has an executive Chairman and hence, the requirement pertaining to re-imburement of expenses to non-executive Chairman does not arise.

B) REMUNERATION COMMITTEE

A remuneration committee comprising all non-executive and independent directors is functioning in the Company.

C) SHAREHOLDER RIGHTS

The financial performance of the Company is well published and also displayed on the Company's website. In view of this, individual communication of quarterly/half yearly results is not sent to the shareholders.

D) AUDIT QUALIFICATIONS

The Auditors Report does not contain any qualifications to the accounts.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members,
SHIVALIK GLOBAL LIMITED

We have examined the compliance of conditions of Corporate Governance by Shivalik Global Limited, for the year ended on March 31st 2006, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company got the Listing Permission on 10th April 2006 and the provisions of Listing Agreement with stock exchanges became applicable to the Company from this date onwards. Hence during the year ended on 31st March 2006 the Company was not required to comply with the provisions of Clause 49 of the Listing Agreement. However from 10th April 2006 onwards Company has started complying with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

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 **M. M. GOYAL & COMPANY**
(Chartered Accountants)
M. M. GOYAL
(Partner)

Place: New Delhi
Date: 6th July 2006



To
The Board of Directors
SHIVALIK GLOBAL LIMITED
New Delhi.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We have reviewed the financial statements and the cash flow statements for the year 2005-2006 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. 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;
3. There are to the best of our knowledge and belief, no transactions entered in to by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
4. We accept the responsibility for establishing and maintaining Internal Controls and that we have evaluated the effectiveness of the internal control systems of the Company and we 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 proposed to take to rectify these deficiencies;
5. We further certify that:
 - (a) there have been no significant changes in internal control during this year;
 - (b) there have been no significant changes in accounting policies during this year and that the same has been disclosed in the notes to the financial statements; and
 - (c) there have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control systems.

J. P. Aggarwal
(Chairman cum Managing Director)

Anil Jodhani Aggarwal
(Chief Financial Officer)



AUDITORS' REPORT

To the Members of

SHIVALIK GLOBAL LIMITED

We have audited the attached Balance Sheet of SHIVALIK GLOBAL LIMITED, as at 31st March 2006, and also the annexed Profit & Loss Account and the cash flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have 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 accounts as required by law have been kept by the Company so far as appears from our examination of the books;
- (c) The Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report are in agreement with the Books of account;
- (d) in our opinion, the Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report comply with the accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the Directors, as on 31st March 2006, and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on 31st March 2006, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2006.
 - (ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For M.M.GOYAL & CO.
Chartered Accountants

M.M.GOYAL
Partner

New Delhi
July 6th, 2006

SHIVALIK GLOBAL LIMITED

ANNEXURE

(Referred to in the main Report of even date:)

- i)
 - a) The Company has maintained proper record showing full particulars including quantitative details and situation of its fixed assets. However in respect of certain fixed assets like furniture, office equipment and computer, records in terms of value are only kept.
 - b) The fixed assets covering significant value have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and nature of its assets. On the basis of the information and explanations given by the management, no material discrepancies have been noticed on such verification.
 - c) The Company has not disposed off any substantial part of its fixed assets during the year.
- ii)
 - a) The Inventories have been physically verified by the management at reasonable intervals during the year.
 - b) To the best of our knowledge and according to information and explanation given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) To the best of our knowledge and according to information and explanation given to us, the company has maintained proper records of inventory. The discrepancies, noticed on the aforesaid verification, between the physical stocks and stocks as per books have been properly dealt with in the books of account.
- iii) To the best of our knowledge and according to the information and explanation given to us, the company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act,1956.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and sale of goods. The system of getting independent confirmation of balance requires to be given more emphasis.
- v)
 - a) To the best of our knowledge and belief and according to explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act,1956 have been entered in the register required to be maintained under that section.
 - b) Transaction made in pursuance of such contracts or arrangements have been made at price which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public covered by section 58 A and 58 AA of The Companies Act 1956.
- vii) To the best of our knowledge and according to information and explanation given to us, the company has an adequate internal audit system commensurate with its size and nature of its business.
- viii) To the best of our knowledge and according to the information given to us, The Central Government has not been prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act,1956 in respect of the company's products.
- ix)
 - a) To the best of our knowledge and according to the books and records as produced and examined by us , in accordance with the generally accepted auditing practices in India, the Company is regular in depositing undisputed statutory dues including provident fund , employees state insurance, Income tax, sale tax , wealth tax , service tax, excise duty ,custom duty, and cess and other statutory dues as applicable with the appropriate authorities.
 - b) According to the information and explanations given to us, no un disputed amounts payable in respect of income tax, sale tax, wealth tax, service tax, excise duty, custom duty and cess were in arrears, as at 31st March,2006 for a period of more than six months from the date they

- c) As at 31st March,2006, according to the records of the Company and the information & explanations given to us, the following are the particulars of dues on account of Income Tax, Sale Tax , wealth tax, service tax, custom duty, excise duty and cess matters that have not been deposited on account of any dispute -

Sl. No.	Name of the Statute	Nature of Dues	Amount Rupees	Forum where Dispute is pending
1.	Income Tax Act, 1961	Income Tax	26,72,030	High Court (Delhi)
2.	Income Tax Act, 1961	Income Tax	10,76,098	CIT Appeal New Delhi
3.	Local Area Development Ordinance-2000	Local Area Development Tax	50,93,559	Jt. Excise & Taxation Commissioner Faridabad
4.	HGST Act	Sale Tax	35,65,722	Jt. Excise & Taxation Commissioner Faridabad

- x). The Company does not have any accumulated losses at the end of the year. It has also not incurred cash losses during the immediately preceding financial year.
- xi) According to the information and explanations given to us, the company during the year has not defaulted in repayment of dues to financial institutions and banks.
- xii) The Company during the year has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute as specified under paragraph (xiii) of the order are not applicable to the company.
- xiv) In our opinion and according to the information and explanations given to us, the company is not a dealer or trader in securities.
- xv) According to the information and explanations given to us, in our opinion, the Company has not given any guarantee for loans taken by others from Bank or financial institutions, the terms and conditions where of are prejudicial to the interest of the company.
- xvi) To the best of our knowledge and according to the information and explanation given to us. And on an over all examinations, we are of the opinion that, terms loans availed by the company, have been, applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the company , funds raised on short term basis have not been used for long term investment.
- xviii) To the best of our knowledge and as per the information and explanations given to us the Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Act..
- xix) As there are no debenture outstanding at year end, paragraph (xix) of the order is not applicable.
- xx) The Company has raised Rs . 60. 00 Crore (Rupees Sixty Crores) by public issue of 1,00,00,000 (One Crore)Equity Shares of face value of Rs. 10/- and Share Premium of Rs. 50/- per share during the year, out of which Company received Rs. 37.99 Crore upto 31st March, 2006 by allotting fully paid up 26,63,720 Equity shares of Rs.10/- each and partly paid up 73,36,280 Equity shares @ Rs.5/-each , and the entire proceeds so received was lying with collecting branch as on 31st March,2006, and no fund out of public issue proceeds have been utilized during the year.
- xxi) According to the information and explanations given to us, during the year no fraud on or by the company has been noticed or reported.

For M.M.GOYAL & CO.
Chartered Accountants

M.M.GOYAL
Partner

New Delhi
July 6th , 2006



SHIVALIK GLOBAL LIMITED
BALANCE SHEET FOR THE YEAR ENDED AS AT 31ST MARCH 2006

(Figure in Rupees)

PARTICULARS	SCHEDULE NO.	AS AT 31-03-2006	AS AT 31-03-2005
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1	205845400	142526800
Reserves & surplus	2	587657737	199603185
Deferred Tax Balance		51039714	46904989
		-----	-----
		844542851	389034974
Loan Funds			
Secured	3	742787040	691540596
Unsecured		86000000	73500000
		-----	-----
TOTAL		1673329891	1154075570
		=====	=====
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	4	794039740	769378517
Less: Depreciation		351046533	294911313
		-----	-----
Net Block		442993207	474467204
Capital work-in-progress	5	19225023	6763720
Investments	6	103600	103600
Current assets, loans and advances			
Inventories	7	534429434	432697526
Sundry Debtors	8	433410326	352682745
Cash & Bank balances	9	398336590	16961515
Loans & Advances	10	51964092	49124230
		-----	-----
		1418140442	851466016
Current liabilities and provisions			
Liabilities	11	187513977	171630570
Provisions		27800000	7200000
		-----	-----
Net Current Assets		1202826465	672635446
Miscellaneous Expenditure			
(To the extent not written off or adjusted)	12	8181596	105600
		-----	-----
TOTAL		1673329891	1154075570
		=====	=====
SIGNIFICANT ACCOUNTING POLICIES	16		
NOTES TO ACCOUNTS	17		
AUDITOR'S REPORT			
As per our report of even date attached			
FOR M.M.GOYAL & CO.			
Chartered Accountants	J.P.AGGARWAL	SANDEEP AGGARWAL	
	Chairman & Managing Director	Joint Managing Director	
M.M.GOYAL	ANIL JODHANI AGGARWAL	VINIT SIKKA	
Partner	V.P.Finance	Company Secretary	
New Delhi			
July 6th, 2006			



SHIVALIK GLOBAL LIMITED
PROFIT & LOSS A/C FOR THE YEAR ENDING AS ON 31ST MARCH 2006

(Figure in Rupees)

PARTICULARS	SCHEDULE No.	YEAR ENDED 31-03-2006	YEAR ENDED 31-03-2005
INCOME			
Sales & other income	13	1826564019 =====	1656849627 =====
EXPENDITURE			
Manufacturing & other expenses	14	1582255877	1431081135
Financial charges	15	83786372	82737098
Expenditure amortised		35200	35200
		----- 1666077449	----- 1513853433
Profit before depreciation		160486570	142996194
Depreciation		56682700	65668990
Profit after depreciation		103803870	77327204
Provision for Income Tax		27500000	7200000
Provision for Deffered Tax		4134725	9234680
Provision for Fringe Benefit Tax		707593	-----
Profit after tax		71461552	60892524
Profit brought forward from previous year		199603185	138710661
Balance carried over to balance sheet		271064737	199603185
SIGNIFICANT ACCOUNTING POLICIES	16		
NOTES TO ACCOUNTS	17		
AUDITOR'S REPORT			
As per our report of even date attached			

FOR M.M.GOYAL & CO.
Chartered Accountants

J.P.AGGARWAL **SANDEEP AGGARWAL**
Chairman & Managing Director Joint Managing Director

M.M.GOYAL
Partner
New Delhi
July 6th,2006

ANIL JODHANI AGGARWAL **VINIT SIKKA**
V.P.Finance Company Secretary



SHIVALIK GLOBAL LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET & PROFIT & LOSS ACCOUNT

(Figure in Rupees)

PARTICULARS	SCHEDULE No.	AS AT 31-03-2006	AS AT 31-03-2005
SCHEDULE-1 SHARE CAPITAL			
AUTHORISED			
26000000 Equity Shares of Rs.10/- each (Previous year 15000000 Equity Shares of Rs. 10/- each)		260000000 =====	150000000 =====
ISSUED,SUBSCRIBED & PAID UP			
16916400 Equity Shares (Previous year 14252680) of Rs.10/- each fully paid up		169164000	142526800
7336280 Equity Shares of Rs. 10/- each partly paid Rs. 5/-each (Previous year Nil)		36681400	-----
		----- 205845400	----- 142526800
SCHEDULE-2 RESERVE & SURPLUS			
Profit & loss account		271064737	199603185
Share Premium Account		316593000	-----
		----- 587657737	----- 199603185
SCHEDULE-3 LOAN FUNDS			
SECURED LOANS			
Term Loans*			
From Financial Institutions		65496531	95503051
From Banks		105053117	137369186
Interest Accrued & Due		3109503	2441279
Working Capital Loans **			
From Banks		514451608	451781007
Corporate Loan ***		50000000	-----
Deffered Payment Credit ****		4676281	4446073
		----- 742787040	----- 691540596
UNSECURED LOANS			
Long Term		73500000	73500000
Short Term Payable (Repayable within a year)		12500000	-----
		----- 86000000	----- 73500000

* Secured by a first mortgage over the company's immovable and movable properties including its movable machinery,spares,tools and accessories,present and future and a first charge on all the remaining assets of the company,present and future (save and except book debts in the case of hypothecation) subject to prior charges and/or to be created in favour of the company's bankers for securing its working capital requirements and further guaranteed by personal guarantee of three directors.

** Secured by way of current assets,stock of raw material,semi finished and finished goods,consumable stores & spares ,bills receivables & book debts and all other movables,present and future, also a second mortgage and charges ranking after the charges created or to be created in favour of the term lenders on immovable and movable properties both present and future

*** Secured by subservient charges on the current assets and fixed assets of the Company and further guaranteed by personal guarantee of two Directors.

**** Secured by first charge on certain movable assets(vehicles)

SHIVALIK GLOBAL LIMITED
SCHEDULE - 4 FIXED ASSETS
FOR THE PERIOD ENDED AS ON 31.03.2006
(Figures in Rupees)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2005	ADDITIONS DURING THE YEAR	SALE/ TRANSFER	AS AT 31.03.2006	UP TO 01.04.2005	DURING THE YEAR	DEDUCTION/ ADJUSTMENT	UP TO 31.03.2006	AS AT 31.03.2006	AS A 31.03.2005
LAND	14,668,500	0	0	14,668,500	0	0	0	0	14,668,500	14,668,500
BUILDING	87,163,909	1,333,066	0	88,496,975	10,836,334	2,943,502	0	13,779,836	74,717,139	76,327,575
PLANT & MACHINERY	638,396,798	20,152,944	0	658,549,742	274,276,639	50,549,712	0	324,826,351	333,723,391	364,120,159
VEHICLES	20,750,295	3,170,638	1,617,939	22,302,994	5,909,711	1,946,865	547,480	7,309,096	14,993,898	14,840,584
FURNITURE & FIXTURES	2,075,471	87,643	0	2,163,114	611,751	135,705	0	747,456	1,415,658	1,463,720
OFFICE EQUIPMENTS	1,746,312	120,527	0	1,866,839	1,297,588	297,778	0	1,595,366	271,473	448,724
COMPUTERS	4,007,340	908,744	0	4,916,084	1,843,791	766,014	0	2,609,805	2,306,279	2,163,549
TUBEWELL	569,892	505,600	0	1,075,492	135,499	43,124	0	178,623	896,869	434,393
TOTAL	769,378,517	26,279,162	1,617,939	794,039,740	294,911,313	56,682,700	547,480	351,046,533	442,993,207	474,467,204
PREVIOUS YEAR	730,175,913	48,999,896	9,797,292	769,378,517	234,273,623	65,668,990	5,031,300	294,911,313	474,467,204	

SHIVALIK GLOBAL LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET & PROFIT & LOSS ACCOUNT

(Figure in Rupees)

PARTICULARS	SCHEDULE No.	AS AT 31-03-2006	AS AT 31-03-2005
SCHEDULE-5 CAPITAL WORK IN PROGRESS			
Plant & Machinery Work In Progress		-----	-----
Advance for Capital Goods (Unsecured considered good)		19225023	6763720
Building Under Construction		-----	-----
		-----	-----
		19225023	6763720
		-----	-----
SCHEDULE-6 INVESTMENTS			
Un-Quoted		-----	-----
Quoted		103600	103600
		-----	-----
		103600	103600
		-----	-----
SCHEDULE-7 INVENTORIES			
(As taken valued & certified by the management)			
Raw material		171242443	165944908
Stores & spares		10617400	8551670
Fuel & furnace oil		269865	197953
Work in progress		226857587	178726794
Packing material		2137312	2015928
Finished goods		123076195	76953781
scrap		228632	306492
		-----	-----
		534429434	432697526
		-----	-----
SCHEDULE-8 SUNDRY DEBTORS			
(Unsecured considered good)			
Debts outstanding for a period			
- more than six months		10248656	7305638
- others		423161670	345377107
		-----	-----
		433410326	352682745
		-----	-----
SCHEDULE-9 CASH & BANK BALANCES			
Cash in hand		363877	288895
Balance with schedule bank In current account		1174606	448906
In Fixed Deposit & Intt. Accrued		16886507	16223714
(Under Lien)			
Public issue Proceeds in collecting Banks		379911600	-----
		-----	-----
		398336590	16961515
		-----	-----



SHIVALIK GLOBAL LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET & PROFIT & LOSS ACCOUNT

(Figure in Rupees)

PARTICULARS	SCHEDULE No.	AS AT 31-03-2006	AS AT 31-03-2005
SCHEDULE-10 LOANS & ADVANCES			
(Unsecured considered good)			
To be recoverable in cash or in kind or for value to be received			
		18746657	14275243
Security Deposit		3848790	3848790
Deposit with Bombay Stock Exchange		6000000	-----
Duty draw back		6355498	5624035
Balance with excise Dept		63727	63729
Cenevat Recoverable		7571162	15397889
Adv income tax		8760297	9296583
A.E.P.C		617961	617961
		-----	-----
		51964092	49124230
		-----	-----
SCHEDULE -11 CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors		177561558	150720078
Other liabilities		8204316	18151820
Interest Accrued but not Due		1748103	2758672
		-----	-----
	(A)	187513977	171630570
PROVISIONS			
Provisions for Income Tax	(B)	27500000	7200000
Provision for Fringe Benefit Tax		300000	-----
		-----	-----
	(A)+(B)	215313977	178830570
		-----	-----
SCHEDULE-12 MISCELLANEOUS EXPENDITURES			
(To the extent not written off or adjusted)			
Preliminary expenses		7400	11100
Deffered Revenue expenditure		63000	94500
Public Issue Expenses		8111196	-----
		-----	-----
		8181596	105600
		-----	-----
SCHEDULE -13			
SALES & OTHER INCOME			
Sales -Export		238475044	243500654
- Domestic		1201464089	1006998193
Processing Charges		372253000	388680997
Duty Draw back claim		13006667	16224998
Exchange Fluctuations		286810	185852
Other income		1078409	1258933
		-----	-----
		1826564019	1656849627
		-----	-----



SHIVALIK GLOBAL LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET & PROFIT & LOSS ACCOUNT

(Figure in Rupees)

PARTICULARS	SCHEDULE No.	YEAR ENDED 31-03-2006	YEAR ENDED 31-03-2005
SCHEDULE-14 MANUFACTURING & OTHER EXPENSES			
Raw Material Consumed		1298422246	1198991329
Store consumed		7381831	6470849
Salary & wages		52446830	51843600
Welfare exp		1993254	2004310
Cont to E.S.I fund		733063	1036774
Cont to Provident & other funds		2326966	3016831
Power & fuel		172128024	129855739
Rent			1478492
585400			
Job work charges		46485602	47361711
Excise duty paid		7121255	11252443
REPAIR & MAINTENANCE:			
Plant & machinery		10581439	11655530
Building		355251	1843092
Others		233130	237304
Advertisement & publicity		14500	66500
Fees & subscription		43000	56263
Travelling & conveyance		2817623	8863055
Printing & stationery		1104661	1435599
Postage telegram & telephone		3341566	4451419
Insurance		1245067	1030698
Legal & professional charges		1269848	1380721
Rates & taxes		1685082	2204235
Auditors' Remuneration		44080	38570
Vehicle running & maintenance		1289643	1512493
Sales promotion		429927	1560353
Testing Charges		2839285	2607971
Packing & forwarding		23576716	23625987
Discount & Commission		296357	633191
Freight Overseas		30382500	21316780
Export Claims & Discounts		1458230	944083
Loss on Sale of Assets		457459	560992
Other expenditure		2448297	2434087
		-----	-----
		1676431224	1540877909
INCREASE /DECREASE IN STOCK			
OPENING STOCK:			
Finished goods		76953781	36708472
Work in progress		178726794	109235101
Scrap		306492	246720
		-----	-----
		255987067	146190293
CLOSING STOCK:			
Finished goods		123076195	76953781
Work in progress		226857587	178726794
Scrap		228632	306492
		-----	-----
		350162414	255987067
		-94175347	-109796774
		-----	-----
		1582255877	1431081135
		-----	-----



SHIVALIK GLOBAL LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET & PROFIT & LOSS ACCOUNT

(Figure in Rupees)

PARTICULARS	SCHEDULE NO.	AS AT 31-03-2006	AS AT 31-03-2005
SCHEDULE - 15			
FINANCIAL CHARGES			
Interest			
- Term Loans		13606134	26371627
- others		55113942	45480576
Bank charges & financial charges		15066296	10884895
		-----	-----
		83786372	82737098
		-----	-----

SIGNIFICANT ACCOUNTING POLICIES 16

NOTES TO ACCOUNTS

AUDITOR'S REPORT

As per our report of even date attached

FOR M.M.GOYAL & CO.

Chartered Accountants

J.P.AGGARWAL

Chairman & Managing Director

SANDEEP AGGARWAL

Joint Managing Director

M.M.GOYAL

Partner

New Delhi

July 6th,2006

ANIL JODHANI AGGARWAL

V.P.Finance

VINIT SIKKA

Company Secretary

SHIVALIK GLOBAL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2006

Figure in Lakhs

	YEAR ENDED 31-03-2006		YEAR ENDED 31-03-2005
A: CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit after tax	714.62		608.93
Adjustment for:			
Depreciation	566.83	656.69	
Profit/Loss on sale of Assets	4.57	5.61	
Interest Income	-10.03	-10.46	
Income from Investments	-0.08	-0.08	
Exchange fluctuation	-2.87	-1.86	
Interest charged to Profit & loss account	837.86	827.37	
Provision for Retirement benefit	3.15	3.50	
Provision for Tax/ Tax for Earlier years	319.35	164.35	
Misc Expenditure written off	0.35	0.35	1645.47
Operating Profit before working capital change	2433.75		2254.40
Adjustment for:			
Trade & other receivables	-835.67	-558.73	
Inventories	-1017.31	-1428.32	
Trade Payable & other liabilities	280.66	221.88	
	-1572.32		-1765.17
Cash Generated from Operations	861.43		489.23
Direct Taxes paid	72.00		42.00
Cash flow from operating activities	789.43		447.23
B: CASH FLOW FROM INVESTING ACTIVITIES			
Additions to Fixed Assets (Including Work in Progress)	-387.40	-484.62	
Sale of Fixed Assets	6.13	42.05	
Interest Recd	10.03	10.46	
Income from Investments	0.08	0.08	
Sale of Investment	-	528.73	
	-371.16		96.70
Net Cash used in Investing Activities	-371.16		96.70
C: CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	1135.69		976.78
Repayment of borrowings	-623.22		-650.31
Proceeds from issue of shares	3799.11		-
Interest paid	-837.86		-827.37
Deffered Exp. Paid	-81.11		-
Exchange fluctuation	2.87		1.86
Net Cash Generated from Financing Activities	3395.48		-499.04
NET CHANGE IN CASH AND CASH EQUIVELENT	3813.75		44.89
Balance at the Begening of the year	169.62		124.73
Balance at the End of the year	3983.37		169.62

AUDITOR'S REPORT

As per our report of even date attached

FOR M.M.GOYAL & CO.

Chartered Accountants

J.P.AGGARWAL
Chairman & Managing Director

SANDEEP AGGARWAL
Joint Managing Director

M.M.GOYAL

Partner
New Delhi
July 6th,2006

ANIL JODHANI AGGARWAL
V.P.Finance

VINIT SIKKA
Company Secretary

SHIVALIK GLOBAL LIMITED

SCHEDULE-16. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- (a) The Financial statement are prepared under the historical cost convention, unless stated otherwise, on a going concern basis, and in accordance with the generally accepted accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the Company, to the extent applicable.
- (b) The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

2. FIXED ASSETS

- (a) Fixed assets are stated at their original cost (Net of Cenvat) less depreciation. Cost include inward freight, duties, taxes and expenses incidental to acquisition and installation
- (b) Capital work in progress is stated at cost and includes advances for capital items.

3. DEPRECIATION

Depreciation on fixed Assets has been provided on straight line method (SLM) at the rate and in the manner prescribed in Schedule XIV of the Companies Act, 1956, except on Plant & machinery, depreciation has been provided on written down value method.

4. INVESTMENTS

Investments are valued at Cost .

5. INVENTORY

- a) Inventory of Raw material is valued at weighted average cost or net realisable value which ever is lower; Cost being net of excise duty.
- b) Inventory of finished goods is valued at the lower of cost or estimated realisable value. For this purpose, cost is being reckoned as full cost (exclusive of interest and administrative overheads) net of excise duty and includes excise duty in the finished goods, where applicable.
- c) Closing stock of work in progress is valued at the lower of cost or estimated realisable value; for this purpose cost does not include excise duty.
- d) Inventory of store & spares is valued at cost, exclusive of excise duty.
- e) Scrap is valued at net realisable value.

6. SALES

Sales include Excise duty and are net of trade discounts.

7. PURCHASE OF RAW MATERIAL

Cost of Purchase less CENVAT Credits constituted purchase price and includes duties, Freight inward and other cost directly attributable to such purchase in the year in which they are accounted , whether the expenditure is immediate or deferred.

8. FOREIGN EXCHANGE TRANSACTIONS

- a) Transactions in the foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- b) Any Income or expenses on account of foreign exchange difference either on settlement or on transaction, is being recognized in Profit & loss account except in cases where they relate to the acquisition of fixed assets. In which cases these are adjusted to the carrying cost of such assets.

9. EXPORT INCENTIVES

Export incentives is accounted for on the basis of exports sales effected during the period.

10. EMPLOYEE RETIREMENT BENEFITS

Contribution to provident fund and family pension fund are charged to the Profit & loss account . Gratuity and leave encashment are provided on the basis of accrued liability.

11. EXCISE DUTY

Excise duty in respect of finished goods produced by the company accounted for at the time of removal of goods from the factory for sale. The accounting treatment has no impact on profit for the year.

12. TAXATION

Deferred tax is recognised. subject to consideration of prudence. On timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

13. MISCELLANEOUS EXPENDITURE

- a) Miscellaneous Expenditure included:
 - 1) Deferred revenue expenditure incurred for increasing authorised share capital and Public issue expenses.
 - 2) Preliminary expenses.
- b) Preliminary expenses and deferred revenue expenditure are amortized over a period of 10 years.

SHIVALIK GLOBAL LIMITED

SCHEDULE -17 NOTES TO ACCOUNTS

	AS AT 31.03.2006 (Rs. in lakhs)	AS AT 31.03.2005 (Rs. in lakhs)
1. CONTINGENT LIABILITIES		
a) Bill Discounted	100.87	111.50
b) Bank Guarantee for A.E.P.C and Custom Duty	18.30	62.75
c) Outstanding letter of Credit (Net of Margin of Rs. 168.86 Lakhs previous year Rs. 162.23 Lakhs)	815.74	577.63
d) Export obligation	7560.00	8624.00
e) Disputed Liability towards Income Tax	37.48	37.48
f) Disputed Liability towards Sale Tax	35.66	11.84
g) Disputed Liability towards Local Area Development Tax	50.94	50.94
h) Surety given to Sale Tax Deptt. For third party	1	1

2. Estimated amount of contracts remaining to be executed on Capital account is Rs.890.00 lakhs
Previous Year Rs.134.00 lakhs).

	31.03.2006 (Rs. in lakhs)	31.03.2005 (Rs. in lakhs)
3. DIRECTOR REMUNERATION		
Salary	26.40	22.20
House Rent Allowance	0.00	0.00
	----- 26.40 -----	----- 22.20 -----

Computation of Net Profit in accordance with section 198/349 of the Companies Act, 1956 has
Not been given as no commission is payable to Managing/ Whole time Director.

4. Personal accounts are subject to confirmation of respective parties.

5. Previous years figures have been regrouped / rearranged wherever considered necessary to make comparable with the current year figures.

6. In the absence of sufficient information from suppliers regarding their status as SSI Units, amount overdue to such undertakings could not be ascertained.

7. DEFERRED TAX LIABILITY (NET)

Major component of deferred tax liability, arising on account of timing difference is Depreciation, charged on fixed assets

	Deffered Tax Liability As at 31.03.2005	(Figure in Lakhs) Current Year	Deffered Tax Liability As at 31.03.2006
Deferred Tax Liability	469.05	41.35	510.40

8. RELATED PARTY TRANSACTIONS

As per AS-18 issued by the Institute of Chartered Accountants of India, the Company's related parties and transactions with them are disclosed below :

Related Parties

a) Subsidiaries	:	Nil
b) Associates	:	Nil
c) Key Managerial Personnel	:	1. J.P.Aggarwal 2. Sandeep Aggarwal 3. Sumitra Aggarwal 4. S.K.Aggarwal
d) Relative of key Managerial Personnel	:	1. Viniti Aggarwal
e) Enterprises over which key management personnel (KMP) or relative having influence	:	1. M/s Shyam Tex International Limited 2. M/s Demaco Polymers Ltd. 3. M/s Gandhar Exports Limited 4. M/s Ruchi India Limited 5. M/s Target Fashion Limited. 6. M/s S.D.Chem (P) Ltd. 7. M/s Vinsan Healthcare Ltd. 8. M/s N.B.Welcome Chemicals (P) Ltd.

Transaction with Related Parties

Nature of Transactions	Amount Rs. In Lakhs					
	(c)		(d)		(e)	
	31.03.06	31.03.05	31.03.06	31.03.05	31.03.06	31.03.05
Sale / Job work	-	-	-	-	1528.21	977.33
Purchase / Job work	-	-	-	-	1374.89	928.01
Remuneration paid	26.40	22.20	1.14	6.00	-	-
Receivable	-	-	-	-	21.82	-
Payable	1.69	0.99	0.04	-	625.42	-

9. AUDITOR'S REMUNERATION

(Inclusive of service Tax)	Current Period	Previous Year
Audit Fees	33,060	27,550
Tax Audit Fees	11,020	11,020
	44,080	38,570

10. SEGMENT INFORMATION :

a) Primary Segment Reporting by Business Segment :

Based on the guidelines in Accounting Standard on segment Reporting (AS-17) issued by the ICAI, The Company's primary business segment is Manufacture in textiles. The Textile Business incorporate the product groups namely: Printing, Dyeing and Processing of woven and knitted Fabrics and Processing and dyeing of Yarn and Manufacture of Readymade Garments and Sewing threads, which mainly have similar risks and returns.

b) Secondary Segment Reporting (By Geographical Segments) :

The following is the distribution of the Company's consolidated sales by geographical segment , Regardless of where the goods were produced:

Particulars	Current Year (Rs. In Lakhs)	Previous year (Rs. In Lakhs)
i Sales to overseas market	2,384.75	2,435.01
ii Sales to Domestic market	15,737.17	13,956.79

The Company has common fixed assets for producing goods for overseas market and domestic markets, Hence separate figures for fixed assets/ additions to fixed assets etc. cannot be furnished.

11. CALCULATION OF EARNING PER SHARE

	Current Year	Previous Year
a) Weighted Average number of Equity Shares At the commencement of the year (Nos.)	1,42,52,680	1,42,52,680
b) Net Profit as per Profit & Loss Account (Rs.)	7,14,61,552	6,08,92,521
c) Basic & Diluted earning per share (a/b) (Rs.)	5.01*	4.27

* The EPS has been calculated before considering issue of 10 Million Equity Share allotted on March, 31, 2006 pursuant to IPO of the Company.

12. Additional Information pursuant to part II of schedule VI of the Companies Act, 1956 as certified by the management.

A. INSTALLED CAPACITY

(As Certified by the management)

Class of Goods	Current Year	Previous Year
Printing & Dyeing of Fabrics (Woven)	360.00 Lac Mtr.	360.00 Lac Mtr.
Processing & Dyeing Of Yarn	1,400.00 M.T	1,400.00 M.T
Knitting, Processing & Dyeing of Fabrics (Hosiry)	4,000.00 M.T	4,000.00 M.T
Sewing Thread	400.00 M.T	400.00 M.T
Garments	24.00 Lacs Pcs.	24.00 Lacs Pcs.

B: Particular of Production

Class of Goods	Current Year	Previous Year
Printing & Dyeing of Fabrics (Woven)	358.82 Lac Mtr	299.15 Lac Mtr
Knitting ,Processing & Dyeing of Fabrics (Hosiry)	4,840.073 MT	5,710.895 M.T
Processing & Dyeing * Of Yarn	863.182 MT	676.136 M.T
Sewing Thread **	16,227.43 Kg.	48,855.73 Kg.
Garments	13,00,530 Pcs	13,44,817 Pcs.

* include 176.836 M.T consumed for Garments.(Previous Year 131.342 MT)

** include 8,132.45 Kg. consumed for Garments.(Previous Year 10212.60 Kg.)

C: Particulars of finished

I. Opening Stock	Current Year		Previous Year	
	Qty	Value(Rs).	Qty.	Value (Rs.)
Processed & Printing Fabric (Woven)	3.37 Lac Mtr.	1,23,14,093	0.01 Lac	Mtr.43,899
Dyed Yarn	8.205 MT	5,90,731	1.13 MT	54,444
Processed & Dyed Fabric (Hosiry)	144.212 MT	1,80,74,473	1.14 MT	53,696
Sewing Thread	9,236.00 Kg	27,38,893	26,087.00Kg.	77,49,199
Garments	226177 Pcs	4,32,35,591	175215 Pcs	2,88,07,234
		----- 7,69,53,781 -----		----- 3,67,08,472 -----

II. Closing Stock	Current Year		Previous Year	
	Qty	Value(Rs).	Qty.	Value (Rs.)
Processed & Printing Fabric (Woven)	6.38 Lac Mtr.	2,24,33,994	3.37 Lac Mtr.	1,23,14,093
Dyed Yarn	6.346 MT	6,27,652	8.205 MT	5,90,731
Processed & Dyed Fabric (Hosiry)	326.022 MT	5,02,30,688	144.212 MT	1,80,74,473
Sewing Thread	2,688.00 Kg	6,68,311	9,236.00 Kg	27,38,893
Garments	2,62,650 Pcs	4,91,15,550	2,26,177 Pcs	4,32,35,591
		----- 12,30,76,195 -----		----- 7,69,53,781 -----

D. Particulars of Turnover	Current Year		Previous Year	
	Qty	Value(Rs).	Qty.	Value (Rs.)
Processed and Printed Fabric	355.81 Lac Mtr	83,08,27,996	295.79 Lac Mtr	58,85,81,073
Processed Knitted Fabric	4,658.263 MT	69,84,05,060	5,567.823 MT	75,63,26,837
Dyed Yarn	688.205 MT	4,04,80,004	537.719 MT	3,72,35,736
Sewing Threads	14,642.98 Kg	34,77,414	55,494.13 Kg.	1,30,36,272
Garments	12,64,057 Pcs *	25,14,81,711	12,93,855 Pcs	25,99,10,074
Others		18,91,834		17,59,635
		----- 182,65,64,019 -----		----- 1,65,68,49,627 -----

* Includes 43,426 Pcs for sampling (Previous year 48920 Pcs.).

E. Raw Material Consumed	Current Year		Previous Year	
	Qty	Value(Rs).	Qty.	Value (Rs.)
Colour & Chemicals	4968.206 MT	14,81,02,222	5456.84 MT	17,89,84,455

Yarn	501.778 MT	7,78,95,462	653.174 MT	9,70,26,911
Fabrics	7041.566 MT	104,04,44,987	6334.225 MT	89,22,68,997
Others	-----	3,19,79,575	-----	3,07,10,966
		-----		-----
		129,84,22,246		119,89,91,329
		-----		-----

F: Value of Imported / Indigenous Raw Material and Store & Spare Parts Consumed.

	Current Year % Value (Rs.)		Previous Year %Value (Rs.)	
Raw Material				
Imported	0.73	94,92,760	0.99	1,18,50,190
Indigenous	99.27	128,89,29,486	99.13	118,71,41,139
	-----	-----	-----	-----
	100.00	129,84,22,246	100.00	119,89,91,329
	-----	-----	-----	-----
Store & Spares				
Imported	18.92	9,61,704	6.84	4,42,694
Indigenous	86.97	64,20,127	86.73	60,28,155
	-----	-----	-----	-----
	100.00	73,81,831	100.00	64,70,849
	-----	-----	-----	-----

G. Expenditure in Foreign Currency

	AS ON 31.03.2006	AS ON 31.03.2005
Raw Material	94,92,760	1,18,50,190
Store & Spares	9,61,704	4,42,694
Capital Goods	--	9,36,817
Foreign Travelling	5,52,474	13,16,578

H.Earning in Foreign Currency

FOB Value of Exports	20,80,92,544	22,21,83,874
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AUDITORS REPORT

As Per Our Report of even date attached

For M.M.GOYAL & CO.
Chartered Accountants

J.P.AGGARWAL
Chairman &
Managing Director

SANDEEP AGGARWAL
Joint Managing Director

M.M.GOYAL
Partner
New Delhi
July 6th , 2006

ANIL JODHANI AGGARWAL
V.P.Finance

VINIT SIKKA
Company Secretary



SHIVALIK GLOBAL LIMITED

Unit No. 111, Block No. - 1, 1st Floor, Tribhuwan Complex, Ishwar Nagar, New Delhi - 110065

DP Id No.		Folio No.	
Client Id No.		No. of shares	

ATTENDANCE SLIP

I/We hereby record my presence at the Ninth Annual General Meeting of the Company held at on Thursday the 28th day of September 2006 at Auditorium, Banarasidas Chandiwala Estate, Maa Anandmayi Marg, Kalkaji, New Delhi, at 10:00 A.M.

NAME/S OF THE SHAREHOLDER (IN BLOCK LETTERS)	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER/PROXY	

Notes:

1. Member/s intending to appoint a Proxy, should complete the Proxy form below and deposit it at the registered office of the Company not less than 48 hours before the time of Commencement of the meeting.
2. A Proxy need not be a member.
3. A Proxy cannot speak at the meeting or vote on a show of hands

(Tear Here)

SHIVALIK GLOBAL LIMITED

Unit No. 111, Block No. - 1, 1st Floor, Tribhuwan Complex, Ishwar Nagar, New Delhi - 110065

DP Id No.		Folio No.	
Client Id No.		No. of shares	

PROXY

I / Weof in the district of being a member/members of SHIVALIK GLOBAL LIMITED hereby appoint of or failing him..... of in the district of as my/our Proxy to attend and vote for me/us and on my/our behalf at the Ninth Annual General Meeting of the Company, to be held on Thursday the 28th day of September 2006 at 10.00 a.m. at Auditorium, Banarasidas Chandiwala Estate, Maa Anandmayi Marg, Kalkaji, New Delhi and at any adjournment thereof.

Signed this day of 2006.

(Signature/s of the Shareholder's)

Note: The Proxy must be deposited at the Registered Office of the Company at Unit No. 111, Block No. - 1, 1st Floor, Tribhuwan Complex, Ishwar Nagar, New Delhi - 110065 not less than 48 hours before the time for holding of the meeting.