



TWENTY-SEVENTH ANNUAL REPORT

SIKA INTERPLANT SYSTEMS LTD.

BOARD OF DIRECTORS

(As on 30th May 2013)

Dr C G Krishnadas Nair	Director
Mr R N Chawhan	Director
Dr J M Debnath	Director
Mr Rajeev Sikka	Chairman & Managing Director

CHIEF FINANCIAL OFFICER

Mr Kunal Sikka

AUDITORS

Shekar & Yatish
Chartered Accounts

BANKERS

Canara Bank

REGISTERED OFFICE

3 Gangadharchetty Road,
Bangalore 560 042

REGISTRAR & SHARE TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building,
1, Club House Road,
Chennai 600 002

NOTICE

The Twenty-seventh ANNUAL GENERAL MEETING of the Sika Interplant Systems Limited will be held on Friday, 27th September 2013 at 10.a.m. at Hotel Ajantha, 22 M.G. Road, Bangalore 560 001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31st March, 2013.
3. To appoint a Director in place of Dr.C.G.Krishnadas Nair, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration. M/s Shekar & Yatish, Chartered Accountants, Bangalore, retire at this meeting and being eligible offer themselves for re-appointment.

SPECIAL BUSINESS:

1. To consider and if thought fit to pass, with or without modification, the following as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 309,198 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII and Clause 10 of Articles of Association, as approved by the Remuneration Committee and subject to such other approvals as may be required, the remuneration of Mr.Rajeev Sikka, Chairman & Managing Director of the Company be and is hereby continued for an additional period of two years with effect from 1st April 2013 (the remaining period of his tenure) on the same terms as prior to 01.04.2013, details of which are contained in the explanatory statement annexed to this notice."

"RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during the aforesaid period, the above terms of remuneration and perquisites will be admissible as the minimum remuneration payable to Mr Rajeev Sikka, subject to compliance with the provisions of Schedule XIII of the Companies Act, 1956."

For and on behalf of the Board

Bangalore, 12th August, 2013

Rajeev Sikka
Chairman & Managing Director

NOTES:

- (a) The information required to be provided under the Listing Agreement entered with the Stock Exchange regarding the Director who is proposed to be appointed / re-appointed is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the commencement of the meeting.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2013 to 28.09.2013 (both days inclusive).
- (d) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the meeting.
- (e) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the meeting.
- (f) Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.
- (g) Explanatory Statement as per Sec.173(2) of the Companies Act,1956 is attached.
- (h) Re-appointment of Directors: Brief resume of the Director proposed to be re-appointed (Item No. 3) is given hereunder:
 - ♦ Dr C G Krishnadas Nair, aged 75 years, earned his B.Tech from IIT Madras, M.Sc. Engg. (Mechanical Metallurgy) from Canada, and his Ph.D. in Engineering from the University of Saskatchewan, Canada. He joined the Board of Directors of the Company on 18th January 2007. Dr C G Krishnadas Nair joined Hindustan Aeronautics Limited (HAL) in 1971 and served as General Manager of a number of Divisions before becoming the Managing Director of its Bangalore Complex and eventually HAL group Chairman. He is widely recognized in the field of aeronautics both in India and abroad. He was elected President of Aeronautical Society of India (1995-97). He was the President of Indian Institute of Metals (1997-99). He is founder President of Society of Indian Aerospace Technologies & Industries. A fellow of the Indian National Academy of Engineering, Dr Nair was conferred with the Padmashri Award for outstanding contributions in Engineering Science and Technology. In addition, he has been a member of various scientific advisory councils and committees like the Scientific Advisory Committee to the Cabinet, Govt. of India, etc. He is also Director of Brahmos Aerospace Thiruvananthapuram Ltd, Global Vectra Helicorp Ltd, Karnataka Hybrid Micro Devices Ltd, TATA advanced Materials Ltd, Titan Industries and Titan Time Products Ltd.

For and on behalf of the Board

Rajeev Sikka

Chairman & Managing Director

Bangalore, 12th August, 2013

Explanatory Statement as per Sec.173(2) of the Companies Act,1956 attached to the Notice of AGM:-

ITEM 5 Pursuant to the provisions of Section 309,198 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII, Mr.Rajeev Sikka was re-appointed as Chairman & Managing Director of the Company for a period of five years effective from 1st April 2010, as approved by the members at the Annual General Meeting held on 30th September 2009. Mr Rajeev Sikka has been the Managing Director of the Company since 1986 and its Chairman since 2005. Over the years, your Company has grown organically into an established Engineering Industry that is focused on advanced technology projects and services for the Aerospace, Defence and Automotive sectors, and Mr Rajeev Sikka has played a pivotal role in the Company's successes.

Considering the involvement of Mr Rajeev Sikka in the Company's business development, the Board has strongly recommended the consideration of the continuation of the following remuneration for Mr Rajeev Sikka as Chairman & Managing Director of the Company:

SALARY

Salary ₹ 75000/- p.m. In the range of ₹ 75,000/- to ₹ 1,00,000/- per month (with such special increments within the aforesaid range as may be decided by the Board or any committee thereof, in its absolute discretion from time to time)

PERQUISITES & ALLOWANCES

House Rent Allowance: ₹ 2,40,000 per annum.

Medical Reimbursement: Medical expenses will be paid by the Company for him and his family, viz. wife, dependent children and dependent parents at actuals, subject to a ceiling of one month's Salary.

Leave Travel Allowance: He will be reimbursed the expenses incurred on actual basis, subject to a ceiling of one month's Salary, for himself, his wife, dependent children and dependent parents.

Club Fees: Club fees will be paid subject to a maximum of two clubs, subject to a maximum of ₹ 12000 per annum, which will not include admission and life membership fees.

Provident Fund/Superannuation/Gratuity:As per Company rules.

Motor Car: He will be provided with free use of a car with driver. Use of the car for personal use to be billed by the Company

Telephone: He will be provided with telephone facility at his residence. Use of the telephone for personal long distance calls to be billed by the Company.

Earned Leave & Encashment: As per Company rules.

Allowances: A Special Allowance not exceeding ₹ 5,00,000 per annum will be paid.

PERFORMANCE INCENTIVE

As decided by the Remuneration Committee and the Board from time to time. However, the overall remuneration including performance incentive should not exceed the maximum as prescribed in Schedule XIII of the Companies Act, 1956.

The above said remuneration is valid for the period 1st April 2013 to 31st March 2015 and renewal beyond this period is subject to necessary approvals.

The details of remuneration to all Directors including working Directors are dealt with in the Corporate Governance report forming part of the Directors' Report attached to this notice.

Your Directors recommend the resolution for your approval.

For and on behalf of the Board

Bangalore, 12th August, 2013

Rajeev Sikka
Chairman & Managing Director

DIRECTORS' REPORT

To the Members,

The Directors are pleased to present the Twenty-Seventh Annual Report of the Company and the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIALS HIGHLIGHTS

(₹ in lakhs)

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
Total Income	750.29	1,185.23
Profit (Loss) before Tax and Depreciation	117.30	226.84
Provision for Taxes	26.50	66.30
Depreciation	25.79	19.14
Profit (Loss) for the Year After Tax and Depreciation	64.01	131.74
Earnings per Share (in ₹)	1.51	3.11

OPERATIONAL REVIEW

During the year under review, your Company achieved Total Income of ₹ 750.29 Lakhs as compared to ₹ 1185.23 Lakhs during the previous Financial Year. After considering Interest, Depreciation, Foreign Exchange (Loss) / Gain and Tax, the Company has Net Profit of ₹ 131.74 Lakhs in the previous year.

Both your Company's turnover and net profit decreased as compared to the year earlier period, due to a continued deterioration in the macroeconomic environment during the last Financial Year coupled with the projects-driven nature of your Company's business. Delays in receiving certain design-related approvals from customers led to execution rescheduling, which meant your Company had a material amount of "unrealised" engineering effort relating to ongoing orders at the end of the last Financial Year. The successful execution of these orders in the current Financial Year is likely to see your Company return to the growth path barring any unforeseen circumstances.

Like previous years, last Financial Year also, significant investments have been made in building infrastructure, purchase design software information systems, and design and development activities for the future benefit of your Company.

DIVIDEND

The Directors of your Company are pleased to maintain a dividend of 6% (₹ 0.60 per share) subject to the approval of the share holders. This will amount to a total dividend payout of ₹ 25,44,105/- (excluding dividend distribution tax) for the Financial Year ended 31st March, 2013 for shareholders whose names appear in the Register of Members as on date of AGM.

The Dividend has been kept unchanged as the Company wants to finance its expansion program through internal accruals. It is expected that the benefits of this expansion will be reflected in the performance of the Company in the years to come.

SUBSIDIARY COMPANIES

As on the date of this report, the company has the following subsidiary companies:

1. Sikka n Sikka Engineers Private Limited
2. EMSAC Engineering Private Limited
3. Sika Tourism Limited

The Ministry of Corporate Affairs, Government of India, has granted a general exemption to Companies from attaching the Annual Accounts in respect of its subsidiary companies. The Annual Accounts of the subsidiary companies and other relevant information shall be made available for inspection at the Company's Registered Office.

As required under the Listing Agreement with the Stock Exchange, in accordance with the Accounting Standard (AS 21), the audited consolidated financial statement of the Company forming part of this report is attached hereto.

DIRECTORS

Dr. C. G. Krishnadas Nair, Director retires by rotation in the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment.

AUDITORS

M/s. Shekar & Yathish, Chartered Accountants, who are the Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting, and being eligible offer themselves for re-appointment.

As required under Section 224 of the Companies Act, 1956, M/s. Shekar & Yathish has furnished a certificate of its eligibility for re-appointment.

CORPORATE GOVERNANCE

To comply with conditions of Corporate Governance, pursuant to Clause 49 of the Listing Agreements with the Stock Exchange, a Management Discussion and Analysis Statement, Report on Corporate Governance and Auditors' Certificate, are included in the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors' Responsibility Statement is given hereunder:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- ii. The Directors have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public under section 58A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There is no employee whose particulars are required to be given under Section 217(2A) (a) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

DISCLOSURES PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956.

The information as required under the above Section is given in Annexure and forms part of this Report.

ACKNOWLEDGEMENTS

On behalf of the Directors of the Company, I would like to place on record our deep appreciation to our Shareholders, Customers, Business Partners, Vendors, Bankers, Defence Research and Developmental Organizations, and Central and State Governments, for their continued support. The Directors express their gratitude and since reappreciation to all the employees of the Company for their contributions, hard work, and commitment.

For and on behalf of the Board of Directors

Rajeev Sikka

Chairman & Managing Director

Bangalore, 30th May, 2013

**ANNEXURE TO THE DIRECTORS' REPORT
INFORMATION PURSUANT TO SECTION 217 (1) (e) OF
THE COMPANIES ACT, 1956**

1. Conservation of Energy

Your Company is basically is low energy consumer. However, the Company is continuing with its efforts to conserve and utilise energy more efficiently. Your Company has taken additional steps towards Conservation of Energy in the manufacturing processes as an ongoing process.

2. Technology Absorption, Adaptation and Innovation

Your Company has been successful in absorbing and adopting New Technologies during the year. The Company has also finalised plans for further upgradation of technology and processes. Technology absorption and adaptation continues to be at core of the Company's objectives and associated strategy. As your Company continues to be involved in advanced research and development (R&D), the Company is taking steps to obtain approval as a recognized R&D Centre from the Council of Scientific and Industrial Research, Department of Science & Technology, Government of India. The Company has developed and established a number of new technologies to meet requirements of customers.

3. Foreign Exchange Earning and Outgo

The Company earned ₹ 2,48,95,043/- (previous year ₹ 3,59,97,052/-) in foreign exchange during the year. The foreign exchange outgoes amount to ₹3,23,09,688/- (previous year ₹ 5,52,52,596/-).

For and on behalf of the Board of Directors

Bangalore, 30thMay, 2013

Rajeev Sikka
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Sika Interplant Systems Limited (Sika) is actively involved in four main areas, namely, engineering (design and development), manufacturing, projects and systems integration, and maintenance, repair and overhaul (MRO). Additionally, your Company's in-house capabilities in technology development and production are complemented by tie-ups with international partners. The majority of our Company's business is catered to serving the Aerospace & Defence (A&D) and Automotive sectors.

Building on its established expertise in systems integration, documentation and certification, your Company is working on a number of prestigious Indian projects within the A&D sector. Under these typically long-dated contracts, Sika offers its customers design, development, precision manufacturing, assembly, certification, supply and integration of systems, and implementation of the projects. In addition, the Company has set up facilities to provide MRO for its own products and, with the backing of its customers, with foreign partners to provide MRO services for their A&D products in India.

Your Company is one of the select private enterprises with design approval from the Center for Military Airworthiness and Certification (CEMILAC). Sika has also been granted an Industrial Licence for defence production from the Government of India, which enables it to undertake these projects and also qualifies the Company for offset programmes. The opportunity from offsets over the next few years will be considerable, with avenues likely to be available both in manufacturing and services.

The Company has a professional and experienced team comprised of a variety of backgrounds to ensure that we focus on ensuring that products delivered are of the highest quality, matched by strong after-sales support. In line with this, during the last Financial Year your Company successfully maintained its AS9100 (Rev C) certification, which is a widely adopted and standardised quality management system for the aerospace industry.

We pride ourselves in having marquee clients such as the Armed Forces, Defence Research and Development Organisation (DRDO) laboratories, Hindustan Aeronautics Limited (HAL), Indian Space Research Organisation (ISRO), Bharat Electronics Limited (BEL), Tata Power and Larsen & Toubro, among others.

Your Company has been focused on building advanced facilities to expand its operational base to keep pace with the fast paced development of the A&D sector in India. The first phase of this expansion has been completed, and Sika is now well positioned to meet the requirements of both potential international partners and domestic projects.

Within the automotive sector, your Company continues to undertake projects to supply critical capital equipment to a significant number of the major automobile manufacturers across the country.

INDUSTRY STRUCTURE AND DEVELOPMENT

India's geopolitical scenario and compulsions, real or perceived, are driving a relentless transformation of its A&D industry. The biggest growth driver is India's burgeoning expenditure in India's defence budgets; The year 2012 marked a decade of full-fledged entry of the private sector in defence production. The decade also witnessed India emerge as one of the most attractive A&D markets in the world with a steady increase in the Ministry of Defence's budget for modernisation of the armed forces..With the world's third largest armed forces, India's defence budget is approximately 2.1% of its GDP.

India is one of the largest importers of conventional defence equipment and spends about 40% of its total defence budget on capital acquisitions. With its defence spending and aviation market growth rate of estimated 18%(CAGR), this would put the country, in very near future, among one of the top five A&D markets in the world. The sector's growth is also fuelling a MRO market that alone is expected to grow 10% annually and reach \$2.6 billion by 2020.

OPPORTUNITIES AND THREATS

The country's defence expenditure has been increasing with big-ticket deals and massive modernisation programmes, the latter in response to the urgent need to enhance the deterrent and operation capabilities of the armed forces through upgradation/modernisation of existing equipment, as well as additional acquisitions of 'state of the art' equipment. The large scale of the market provides a significant opportunity for foreign original equipment manufacturers (OEMs), Indian industries and SMEs.

Around 70% of our defence requirements are met through imports. The need for a self-reliant defence sector and a sharp focus on minimising dependence on imports is seeing the continued opening up of the sector for private participation. In 2001, the government opened this sector to private and foreign investors and set a challenging target of achieving 70% indigenisation. This focus on indigenisation should gather pace, with the government having taken a number of steps in this direction, including enhanced measures introduced in the latest version of the Defence Procurement Procedure (DPP) released earlier this year.

The implementation of the DPP, including its series of amendments, seeks greater engagement of domestic enterprises and SMEs in defence and internal security. The offset clause stipulates that a minimum of 30% of the armament purchase value is required to be spent on Indian components, sub-systems and products. The latest DPP revision also provides for increasing the share of local purchases through prioritisation of the "Buy India" clause.

It is estimated that during the next decade India will buy close to USD 100 billion worth of fighter aircraft, radars, missiles and warships. Though it is difficult to reach a clear estimate on the value of offsets which will be involved with this huge Defence Imports, never the less the offsets figures could well be above USD 30 billion. The implementation of this value of offsets is both a challenge and an opportunity for the Indian defence industry.

Most of the threats to the domestic A&D industry are rooted on the policy front. These include slippages on the fiscal front, lengthy procurement and evaluation processes, controversies related to corruption and disputes over short listing in competitive bids. These will serve to delay acquisition plans of the armed forces and impact timing of execution of already long-dated projects.

Additionally, despite the size of the defence market in India, the government's defence budget, the 30% offset clause, the Defence Production Policy espousing indigenisation and pronouncements regarding self-reliance seem promising for the private defence industry as well, the lack of level playing field for the private sector vis-a-vis the DPSUs and the foreign original equipment manufacturers (OEMs) continue to be a dampener on the efforts of the private sector to be able to contribute meaningfully to the Indian growth story.

OUTLOOK

The overall outlook for next Financial Year (2013-14) looks positive. As discussed above, we expect that the combination of a continued increase in domestic defence spending and the opportunity from offsets aided by the 1.5x multiplier made available for MSMEs—coupled with the investments made in expanding your Company's operating base will provide us with a solid platform for sustained and consistent growth in our business over the coming years.

RISKS AND CONCERNS

Any delays from the Ministry of Defence, Government of India, in the execution of A&D projects associated with it, shortfalls in planned defence outlays, adverse changes to government policy, etc. could directly have a direct impact on the activities of the Company and consequently on its revenues. Also, your Company's increasing exposure to international markets brings with it inherent risks like Foreign Currency Risk and Interest Rate risk.

In addition, there are various external risk factors like a prolonged slowdown in India and/or the global economy, change or delay in domestic economic reforms, political instability, hostilities, natural disasters, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

We believe the Company has a proper and adequate internal control system in place to ensure that all activities and transactions are monitored, authorised, recorded and reported correctly. An Internal Audit system is in place to conduct a regular check and review accounting methodologies with a view to improving the control systems. The Audit Committee of the Board of Directors has appraised the adequacy of internal controls.

SEGMENT WISE PERFORMANCE

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products, projects and designs.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Human Resources (HR) remained a key focus area for your Company during the year under review. Various human resource (HR) initiatives are taken to align the HR policies to the requirement of the business. The Company provides employees with a fair and equitable work environment and support to develop their capabilities. We are also focused on bringing in new talent and competencies to aid the Company's growth strategy.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, figures, expectations and predictions may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those expressed or implied.

The company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company has long recognised the importance of corporate governance practices that help ensure an environment of honesty, integrity and transparency combined with effective oversight and strong accountability. The Company endeavors to provide its stakeholders with timely information relating to the affairs of the Company together with complete transparency. The Company complies with various statutory requirements/provisions and is committed to good corporate governance.

2. BOARD OF DIRECTORS

As on 30th May, 2013, the Company's Board of Directors constitutes 4 members, out of whom 1 is Executive Directors and 3 are Non-Executive Directors (NEDs). These Directors bring in a wide range of skills and experience to the Board.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year under review and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are as follows:

Name of the Director	Category	No. of Board Meetings Attended	Attended Last AGM	No. of other Directorships and Committee Positions Held		
				Director #	Committee Member *	Committee Chairman *
Dr C G Krishnadas Nair	Independent, Non-Executive	5	No	5	-	1
Mr R N Chawhan	Independent, Non-Executive	5	Yes	3	1	-
Dr J M Debnath	Executive	5	Yes	-	-	-
Mr Rajeev Sikka, Chairman & Managing Director	Executive	5	Yes	-	-	-

Excludes Alternate Directorships and directorships in Private Limited Companies, Foreign Companies and Companies Section 25 of the Companies Act, 1956.

* Only Audit Committee and Shareholders'/Investors' Grievance Committee are considered for the purpose of Committee positions as per the Listing Agreement

Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held were as follows:

22nd Ma, 2012, 10th August, 2012, 20th August, 2012, 10nd November, 2012, and 8th February, 2013.

The information as required under Annexure IA to Clause 49 is being made available to the Board.

3. AUDIT COMMITTEE

The composition of the Audit Committee and the details of meetings attended by its members is as follows:

Sl. No	Name of the Director	Category	No. of Meetings Attended
1.	Mr R N Chawhan, Chairman	Non-Executive, Independent	5
2.	Dr C G Krishnadas Nair	Non-Executive, Independent	5

The Audit Committee met five times during the year under review on the following dates: 22th May, 2012, 10th August, 2012, 20th August, 2012, 10th November, 2012, and 8th February, 2013. All the members of the Audit Committee were present in all of these meetings.

The role of Audit committee is to review the internal control procedures, Internal Audit system, financial reporting process and quarterly/annual financial statements, placed before the board.

All the members of audit committee have good knowledge of corporate and project finance and accounts. The Chairman of Audit Committee was formerly executive director of KSIIDC. The committee also advises the management on the areas where internal audit can be improved the terms of reference of the audit committee are in line with those prescribed by Clause 49 of the Listing Agreement with the Stock Exchange. The Company also complies with the provisions of Section 292A of the Companies Act, 1956 (the Act) pertaining to Audit Committee and its functioning.

The Chairman & Managing Director and Chief Financial Officer were invited to attend and participate at meeting of the Audit Committee. The Audit Committee invites such other executives as it considers appropriate (and particularly the head of the finance function) to be present at its meetings.

4. REMUNERATION COMMITTEE

The composition of the Remuneration Committee and the details of meetings attended by its members is as follows:

Sl. No	Name of the Director	Category	No. of Meetings Attended
1.	Mr R N Chawhan, Chairman	Non-Executive, Independent	5
2.	Dr C G Krishnadas Nair	Non-Executive, Independent	5

During the year there was no meeting of the members of the Remuneration Committee and there has been no change in the Remuneration Policy of the Company.

The Remuneration Committee is authorised to determine their remuneration package for Executive Directors as well as the remuneration payable to the non-executive Directors, considering criteria such as industry benchmarks, financial performance of the Company, performance of the respective Director, etc.

There was no circumstances warranting the meeting of remuneration committee during the year under consideration.

The Company pays remuneration by way of salary, perquisites and allowance to its Executive Directors. No remuneration is paid by way of commission to any Non-Executive Director. No remuneration is paid to any Non-Executive Director other than sitting fees of ₹ 2,500/- each for attending Board and Committee Meetings by Non-Executive Directors.

Details of remuneration paid to Directors for the year 2012-2013:

Name of the Director	Category	Sitting Fees (Gross) (₹)	Compensation * (Gross) (₹)
Dr C G Krishnadas Nair	Non-Executive, Independent	12,000	-
Mr R N Chawhan	Non-Executive, Independent	12,500	-
Dr J M Debnath	Non-Executive	-	-
Mr Rajeev Sikka	Executive	-	22,00,472

includes salary, perquisites and any ex-gratia payments.

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The composition of the Shareholders'/Investors' Grievance Committee and the details of meetings attended by its members is as follows:

Sl. No	Name of the Director	Category	No. of Meetings Attended
1.	Dr C G Krishnadas Nair, Chairman	Non-Executive, Independent	4
2.	Mr R N Chawhan	Non-Executive, Independent	4
3.	Mr Rajeev Sikka	Executive	4

The Shareholders'/Investors' Grievance Committee met four times during the year under review on the following dates: : 22th Ma, 2012, 10th August, 2012, 10nd November, 2012, and 8th February, 2013. All the members of the Committee were present in all of these meetings.

The Committee monitors redressal of complaints from share holders. The Committee also approves and monitors transfer, transmissions, and consolidations etc. of shares issued by the Company.

There were no complaints received by the Company during Financial Year 2012-13:

Description of Complaint	No. of Complaints received during the period under review	No. of Complaints redressed during the period under review
Non receipt of shares after transfer	-	-
Non receipt of demat credit	-	-

During the year, 6 requests for physical share transfer and 18 requests for dematerialisations were received and approved by the Company. No valid transfer/ transmission of shares were pending as on 31st March, 2013.

Mr Sathish K S, Manager (Finance) and Assistant Company Secretary is the Compliance Officer of the Company.

6. GENERAL BODY MEETINGS

The particulars of the last three Annual General Meetings held are as under:

Financial Year	Day & Date	Time	Venue	No. of Special Resolutions passed thereat
2011-12	Friday, 30 th September, 2012	4.00 p.m.	Hotel Ajantha, 22, M.G. Road, Bangalore 560 001	-
2010-11	Friday, 30 th September, 2011	11.00 a.m.		1
2009-10	Thursday, 30 th September, 2010	11.00 a.m.		-

No postal ballot was conducted during the Financial Year 2012-13. No Extra-Ordinary General meeting was held.

7. CODE OF CONDUCT

The Board has framed a Code of Conduct for the Directors and Senior Management of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchange.

8. DISCLOSURES

- i) The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, or relatives etc. during the year that may have potential conflict with the interests of the Company.
- ii) During the last three years, there were no penalties imposed nor strictures passed on the Company by Stock Exchanges, Securities and Exchange Board of India (SEBI) or any statutory authority for any non-compliance related to the capital markets.
- iii) The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- iv) In terms of Clause 49(V) of the Listing Agreement, the Managing Director and the Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board.

9. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual results are published in a widely circulated national newspaper. The Quarterly Results are also displayed on the BSE website (bseindia.com – Scrip code 523606).

The Annual Report is sent via either email or post, as applicable on a case by case basis, to Members and others entitled to receive it.

No presentations were made to Institutional Investors or to Analysts during the year under review.

10. GENERAL SHAREHOLDER INFORMATION

- i) **Annual General Meeting:** The AGM is scheduled to be held on Friday, 27th September 2013 at Hotel Ajantha, 22, M.G. Road, Bangalore 560 001.

As required under Clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on Friday, 27th September 2013.

- ii) **Financial Year:** 1st April, 2012 to 31st March, 2013

- iii) **Book Closure:** From 26.09.2013 to 28.09.2013
(both days inclusive)

- iv) **Dividend Payment Date:**

The dividend as approved by Share holders in the AGM will be paid within 30 days from the date of AGM.

- v) **Listing on Stock Exchange:** The Company's equity shares are listed on the Bombay Stock Exchange Limited at Mumbai. The Company confirms that it has paid annual listing fees due to the Stock Exchange for the year 2012-2013.

- vi) **Security Code:** Bombay Stock Exchange Limited – 523606

- vii) **Address for Correspondence:** 3 Gangadharchetty Road, Bangalore 560 042

viii) Market Price Data:

High, Low during each month of the Company's equity shares during the last Financial Year (April 2012 to March 2013) at the Bombay Stock Exchange Limited are given below:

Month	High (₹)	Low (₹)
April 2012	21.95	20.05
May 2012	20.00	19.95
June 2012	19.85	18.45
July 2012	21.00	21.00
August 2012	17.70	17.15
September 2012	20.55	20.55
October 2012	20.45	20.45
November 2012	21.80	20.35
December 2012	23.15	23.15
January 2013	21.60	21.30
February 2013	21.60	21.60
March 2013	25.50	21.60

ix) Registrars and Transfer Agents: Cameo Corporate Services Limited
Subramanian Building,
1, Club House Road,
Chennai 600 002

x) Share Transfer System: The equity shares of the Company are traded compulsorily in Demat segment on the Stock Exchange. Demat requests are normally confirmed within an average of 15 days from the date of receipt. Shares received for transfer in physical mode are processed and valid transfers are approved within prescribed time limit. Duly transferred share certificates are generally dispatched within 30 days from the date of receipt.

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchange, certificate on half yearly basis were filed with the Stock Exchange for due compliance of share transfer formalities by the Company. In terms of guidelines issued by SEBI, the Secretarial Audit Report for all the quarters were filed with the Stock Exchange, which inter-alia gives details about the reconciliation of Share Capital (both physical and demat).

xi) Dematerialisation of Shares: The shares of the Company are available for dematerialisation and Agreements have been signed with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 96.26% of the Company's shares are held in dematerialised mode as on 31st March, 2013. The Company (through its Registrars and Share Transfer Agents) provides the facility of simultaneous transfer and dematerialization of shares and has confirmed the same to NSDL and CDSL.

xii) **Distribution of Shareholding of the Company as on 31st March, 2013:**

Category	Number of Shareholders	Number of Equity Shares held	Percentage of Shareholding
Promoters	5	3,01,8881	71.20
Foreign institutions & Banks	0	0	0.00
Financial institutions & Banks	0	0	0.00
Bodies Corporate	51	2,58,950	6.11
Indian Public	2387	9,62,344	22.69
Individual Foreign	0	0	0.00
Clearing Member	0	0	0.00
Total	2443	42,40,175	100.00

Shareholding of Nominal Values of ₹	Number of Shareholders	% of Total Shareholders	Number of Equity Shares held
1 – 500	2185	89.44	3,61,577
501 – 1000	139	5.68	1,13,710
1001 – 2000	51	2.09	73,880
2001 – 3000	27	1.11	67,688
3001 – 4000	6	0.24	21,138
4001 – 5000	9	0.37	43,481
5001 – 10000	9	0.37	62,642
10001 & above	17	0.70	34,96,059
Total	2443	100.00	42,40,175

xiii) **Outstanding GDRs / ADRs / Warrants / convertible instruments:** The Company has no outstanding GDRs and nor the Company has issued any ADRs / Warrants or any Convertible instruments during the year under review.

xiv) **Company's plant:** Sika Technology Centre is located at 21 KM Hosur Road, Bommasandra Industrial Area, Bangalore 560099.

11. DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Sika Interplant Systems Limited Code of Conduct for the financial year ended 31st March, 2013.

For and on behalf of the Board of Directors

Bangalore, 30th May, 2013

Rajeev Sikka
Chairman & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Sika Interplant Systems Limited

We have examined the compliance of the conditions of Corporate Governance by Sika Interplant Systems Limited ('the Company') for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material aspects with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that as per the records maintained by the Company, and its Registrars and Share Transfer Agents, it has not received any complaints from shareholders during the Financial Year.

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.

Bangalore, 30th May, 2013

For and on behalf of
Shekar & Yathish
Chartered Accountants
Kusuma Yathish
Partner
Membership No. 008964S

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Sika Interplant Systems Limited
Gangadhar Chetty Road, Bangalore – 560 001.

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Sika Interplant Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. the Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Shekar & Yathish
Chartered Accountants
FRN : 008964S

Kusuma Yathish
Partner
M No.209637

Bangalore, 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

(referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management at reasonable intervals. Having regard to the size of the company and the nature of its assets, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, substantial parts of the fixed assets have not been disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified during the year by the management.
- (b) The procedures of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of company and nature of its business.
- (c) The company is maintaining proper records of Inventory, minor discrepancies noticed on such physical verification have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) In view of what is stated in Para (a) above, the matters to be reported vide sub clause (b), (c) and (d) of clause (iii) are not applicable.
- (c) The Company has taken unsecured loans from one party, covered in the register maintained under section 301 of the Act, the maximum amount involved during the year was Rs. 36 lakhs (previous year - NIL) and the year-end balance of loans taken from parties is 36 lakhs (previous year - NIL).
- (d) In our opinion, the rate of interest and other terms and conditions of loans taken by the Company are prima facie not prejudicial to the interest of the Company.
- (e) Since the loans raised by the Company are repayable on demand or as and when necessary mutually, no comment can be made on the regularity or otherwise of the repayment of the principal and payment of interest wherever applicable.
- (iv) (a) There are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets, and the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

- (v) (a) According to the information and explanations given to us, the particulars of transactions or arrangements that were required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered;
- (b) In respect of transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;(vi)In view of the Company not having accepted deposits in terms of the provisions of sections 58 A and 58 AA and other relevant provisions of the Companies Act 1956 the compliance requirements as mentioned thereof do not arise.
- (vi) In view of the Company not having accepted deposits in terms of the provisions of sections 58 A and 58 AA and other relevant provisions of the Companies Act 1956 the compliance requirements as mentioned thereof do not arise.
- (vii) In our opinion based on the information and explanations given to us the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, The Central Government has prescribed maintenance of cost records under Sec. 209(1) (d) of the Companies Act 1956. However the same has not been produced before us to express any further opinion as to adequacy and accuracy of the same
- (ix) (a) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records , The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it and according to the information and explanations given to us the company did not have any dues in respect of the aforementioned for a period of more than six months from the date they became payable
- (b) According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (xiv) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) are not applicable to the company.
- (xv) According to the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The Company has not raised any new term loans during the year. The term loans outstanding at the beginning of the year were applied for the purposes for which they were taken.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us the Company had not issued any Debentures during the period under audit.
- (xx) The Company has not made any public issues during the period under audit and consequently the verification of end use of the same does not arise.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported.

For and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRN:008964S

Kusuma Yathish
Partner
M. No -209637

Bangalore, 30th May, 2013

**SIKA INTERPLANT SYSTEMS LTD
BALANCE SHEET AS AT 31st MARCH 2013**

Particulars	Note No	As at 31 March 2013	As at 31 March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	42,401,750	42,401,750
(b) Reserves and Surplus	3	326,424,990	322,980,695
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	17,346,302	15,842,962
(b) Deferred Tax Liabilities (Net)	5	1,451,293	1,097,887
(c) Other Long-Term Liabilities	6	500,000	500,000
(d) Long-Term Provisions	7	114,385	117,441
(3) Current Liabilities			
(a) Short-Term Borrowings	8	4,866,667	7,823,793
(b) Trade Payables	9	8,100,934	9,492,477
(c) Other Current Liabilities	10	42,104,341	34,213,388
(d) Short-Term Provisions	11	18,068,149	37,262,477
Total		461,378,811	471,732,870
II.Assets			
(1) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		288,145,226	289,989,028
(ii) Intangible Assets		674,738	324,857
(iii) Capital Work-In-Progress		47,307,135	42,982,301
(b) Non-Current Investments	13	13,312,510	13,062,510
(c) Long Term Loans and Advances	14	17,963,797	34,530,016
(2) Current Assets			
(a) Inventories	15	30,048,728	12,824,200
(b) Trade Receivables	16	25,914,511	39,914,049
(c) Cash and Cash Equivalents	17	34,438,504	24,846,898
(d) Short-Term Loans and Advances	18	3,573,662	13,259,012
Total		461,378,811	471,732,870

Significant Accounting Policies

Notes On Financial Statements 1 to 39

The Schedules referred to above form an integral part of this Balance Sheet.

As per our report of even date.

For and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

Rajeev Sikka
Chairman & Managing Director

R.N.Chawhan
Director

Kusuma Yathish
Partner
Membership No.209637

Dr.C.G.Krishnadas Nair
Director

Dr.J.M.Deb Nath
Director

Bangalore, 30thMay, 2013

SIKA INTERPLANT SYSTEMS LTD
Profit and Loss statement for the year ended 31st March, 2013

Particulars	Note No.	For the Year ended 31 March 2013	For the Year ended 31 March 2012
I. Revenue From Operations	19	71,808,692	115,466,415
II. Other Income	20	3,221,180	3,056,837
III. Total Revenue (I +II)		75,029,872	118,523,252
IV. Expenses:			
Cost of Materials Consumed	21	11,115,048	14,231,286
Purchases	22	23,723,151	47,032,158
Changes in Inventory of Work In progress	23	(14,507,000)	(11,028,000)
Employee Benefit Expense	24	15,131,079	15,097,485
Finance Costs	25	3,266,611	2,035,584
Depreciation and Amortization Expense	12	2,579,513	1,914,872
Other Expenses	26	24,570,611	28,470,374
Total Expenses		65,879,013	97,753,758
V. Profit Before Tax (III - IV)		9,150,859	20,769,494
VI. Tax Expense:			
(1) Current Tax expense for Current year		2,650,000	6,630,000
(2) Current Tax expense for Earlier years		(253,661)	397,251
(3) Deferred Tax Expense		353,405	568,074
VII. Profit/(Loss) For The Period (V - VI)		6,401,116	13,174,169
VIII. Earning Per Equity Share:			
(1) Basic	27	1.51	3.11
(2) Diluted	27	1.51	3.11

Significant Accounting Policies
Notes On Financial Statements

1 to 39

Schedules referred to above form an integral part of this Statement of Profit and Loss
As per our report of even date.

For and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

Rajeev Sikka
Chairman & Managing Director

R.N.Chawhan
Director

Kusuma Yathish
Partner
Membership No.209637

Dr.C.G.Krishnadas Nair
Director

Dr.J.M.Deb Nath
Director

Bangalore, 30thMay, 2013

Cash Flow Statement for the Year ended 31.03.2013

	Particulars	As on 31.3.2013	As on 31.3.2012
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Net Income before Taxation and Extraordinary items	9,150,859	20,769,494
	<u>Add/(Less) : Adjustments for :-</u>		
	Depreciation and amortization	2,579,513	1,914,872
	Loss on sale of fixed assets	-	331,500
	Finance Cost	3,266,611	2,484,846
	Net Gain on Sale of Investments	-	(1,628,191)
	Interest on Deposits	(2,588,094)	(926,654)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	12,408,889	22,945,867
	<u>Changes in Working Capital</u>		
	<u>Adjustments for (increase)/decrease in operating assets</u>		
	Trade Receivables	13,999,538	(4,114,417)
	Inventories	(17,224,528)	(11,301,200)
	Short-term Loans & Advances	9,685,350	(382,562)
	<u>Adjustments for increase/(decrease) in operating liabilities</u>		
	Trade Payables	(1,391,543)	(7,729,686)
	Other current liabilities (excluding current maturity of Long Term Loan)	7,890,953	14,103,509
	Short-Term Provisions	(19,194,328)	(6,487,168)
	Long-Term Provisions	(3,056)	(83,558)
	Cash generated from operations	6,171,275	6,950,785
	Less : Tax Adjustment (paid)/refund	(2,396,339)	(7,027,251)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	3,774,936	(76,466)
B	<u>CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</u>		
	Capital Expenditure on Fixed Assets	(5,410,426)	(15,250,740)
	Proceeds from Sale of Fixed Assets	-	619,048
	Interest on Bank Deposits	2,588,094	926,654
	Net Gain on Sale of Investments	-	1,628,191
	Sale/ (Investment) in Current Investments	-	15,095,595
	Sale of Long Term Investments	(250,000)	(91,216)
	Long-term Loans & Advances	16,566,218	2,514,199
	NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	13,493,886	5,441,731

	Particulars	As on 31.3.2013	As on 31.3.2012
C	CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
	Finance Cost	(3,266,611)	(2,484,846)
	Proceeds from Long Term Borrowings	1,503,342	6,680,939
	Repayment of Short Term Borrowings	(2,957,125)	7,773,466
	Dividends Paid	(2,544,105)	(2,544,105)
	Tax on Dividend	(412,717)	(412,717)
	NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	(7,677,216)	9,012,737
D	NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	9,591,606	14,378,002
	Add: Cash and Cash Equivalents at beginning of the year	24,846,899	10,468,897
	Cash and Cash Equivalents at end of the year*	34,438,504	24,846,899
	* Comprises:		
	(a) Cash on hand	31,622	17,175
	b) Balances with banks		
	- In current accounts	3,668,885	5,340,148
	(c) Deposits considered as part of cash and cash equivalents	29,796,228	18,892,019
	(d) Interest accrued on deposits	941,769	597,557
		34,438,504	24,846,899

As per our report of even date

On behalf of the Board of Directors

For and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

Rajeev Sikka
Chairman & Managing Director

R.N.Chawhan
Director

Kusuma Yathish
Partner
Membership No.209637

Dr.C.G.Krishnadas Nair
Director

Dr.J.M.Deb Nath
Director

Bangalore, 30th May, 2013

1. Significant Accounting Policies:**a. Accounting Convention:**

The Financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principals, the mandatory accounting standards prescribed by the Institute of Chartered Accountants of India and the provisions of the Companies Act.

b. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment (if any). All costs relating to the acquisition and installation of fixed assets have been capitalized.

Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes land, related acquisition expenses, development/construction costs, borrowing costs and other direct expenditure including advances to contractors and others.

Intangibles having the characteristic of assets, capable of generating future economic benefits and are reliably measurable are stated at cost.

Depreciation/Amortisation

Depreciation on assets has been provided at the rates specified in Schedule XIV of the Companies Act, 1956 on straight-line method.

Amortisation of Intangibles is done based on the benefits derived. Amortization is not being done in respect of intangibles which are available for use to the company in perpetuity.

c. Valuation of Inventories:

Stock of spare parts, raw materials and stock in trade are valued at lower of cost and net realizable value. Work-in-progress is valued at cost.

d. Valuation of Investments:

Current investments, are valued at the lower of cost and market value.

e. Retirement Benefits:

Company has Group Gratuity policy with Life Insurance Corporation of India and the premiums determined there at is charged to revenue. The Company has provided for Leave Encashment based on accumulated un-availed leave by the employees as on the date of Balance Sheet.

f. Revenue Recognition:

1. Revenue from sale of goods is recognized on passing of the property in goods.
2. Services – Revenue from services is recognized on completion of service.
3. Warranties –Revenue from warranties in connection with post sale services is recognized on pro-rata basis over the warranty period.
4. Profit on sale of investments: Profit / loss on sale of investments are recognized on the date of redemption.

g. Foreign Currency Transactions:

Transactions in foreign currency are recorded using the spot rate at the transaction date and exchange differences resulting from settled transactions are adjusted in the profit and loss account. At the balance sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at exchange rates as at the balance sheet date. Those relating to acquisition of fixed assets are adjusted to the cost of assets.

h. Provisions:

A provision is recognized when outflow of resources will be required to settle a present obligation as a result of past events. Accordingly provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

i. Segment Reporting Policies

Primary Business Segments:

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products and designs. For all purposes the company is organized into one operating activity of Engineering products and services. Accordingly the Company is of the view that it has only one business segment. The Company has no activity outside India except for export of Engineering Services. Thereby there is no geographical segment.

j. Impairment of Assets

At each Balance Sheet date the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount and if this is lower than the carrying amount of the asset, an impairment loss is recognized in the Profit and Loss account to the extent the carrying amount exceeds the recoverable amount.

k. Taxation

Current Taxation and Deferred Taxation:

Provision for current income tax is made on the assessable income at the rates applicable to the relevant assessment year.

Deferred Tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

l. Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares are outstanding during the period adjusted for events including a bonus issue, bonus element in a rights issue to existing share holders, share split and reverse share split.

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	As at 31 March 2013	As at 31 March 2012
2.SHARE CAPITAL		
Equity Shares with Voting Rights Authorised 5,000,000 Equity Shares of Rs. 10/- each (Previous Year 5,000,000 Equity Shares of Rs.10 /- each)	50,000,000	50,000,000
Equity Shares with Voting Rights Issued and Subscribed 42,40,175 Equity Shares of Rs. 10/- each (Previous Year 42,40,175 Equity Shares of Rs.10 /- each) (Of the above shares, 26,00,000 shares are issued for consideration other than cash)	42,401,750	42,401,750
Equity Shares with Voting Rights Paid Up 42,40,175 Equity Shares of Rs. 10/- each (Previous Year 42,40,175 Equity Shares of Rs.10 /- each) (Of the above shares, 26,00,000 shares are issued for consideration other than cash)	42,401,750	42,401,750
TOTAL	42,401,750	42,401,750

Details of Shareholders holding more than 5% shares

Name of the Shareholder	As at 31.3.13	As at 31.3.12
Equity Shares with Voting Rights Ultraweld Engineers Private Limited No of Shares % held	2,953,185 69.65%	2,931,089 69.13%

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	Number of Shares as at 31.3.13	Number of Shares as at 31.3.12
Opening Balance	4,240,175	4,240,175
Add. Issued during the year	-	-
Less. Bought back during the year	-	-
Closing Balance	4,240,175	4,240,175

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	as at 31.3.2013	as at 31.3.2012
3.RESERVES AND SURPLUS		
General Reserve	4,401,400	4,401,400
Capital Reserve	60,676,001	60,676,001
Securities Premium Account	177,967,000	177,967,000
Surplus/(Deficit) as per Statement of Profit/Loss for the Year		
Opening Balance	79,936,296	69,718,948
Add :Transferred from Statement of Profit and Loss	6,401,116	13,174,169
	86,337,411	82,893,117
Less:		
(1) Proposed Dividend (Dividends Proposed to be Distributed to Equity Shareholders (Re.60 paise per share))	2,544,105	2,544,106
(2)Tax On Proposed Dividend	412,717	412,717
	2,956,822	2,956,823
Closing Balance	83,380,589	79,936,294
TOTAL	326,424,990	322,980,695

Particulars	as at 31.3.2013	as at 31.3.2012
NON CURRENT LIABILITIES		
4. LONG TERM BORROWINGS		
A. Loans from Banks		
Secured		
Canara Bank Loan (Term Loan of Rs. 3,44,05,043/- is Secured by book debts, stock and Land at Bommasandra)	12,839,609	13,874,000
ICICI Bank Loan (Secured by Vehicle purchased out of above)	222,627	422,157
B. From Other Parties		
Secured		
Tata Capital Ltd. (Loans from Others are secured by Vehicles acquired out of the Above Loans)	510,989	1,546,805
Loan From Related Parties		
Sikka And Sikka Engineering Private Limited	3,773,077	-
TOTAL	17,346,302	15,842,962

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	as at 31.3.2013	as at 31.3.2012
5. DEFERRED TAX LIABILITY		
In view of the accumulated impact of deferred tax arising on account of timing differences and expected to be reversed during forthcoming years is recognised as an adjustment to balance of Profit and Loss Account as prescribed in AS 22. The composition of accumulated deferred tax asset is as under:		
- Deferred Tax liability Related to Fixed Assets- Depreciation	1,611,589	1,258,662
- Deferred Tax Asset Related to expenditure which will be allowed under the Income tax Act, 1961 only on payment basis	160,296	160,775
- Deferred Tax liability(Net)	1,451,293	1,097,887

Particulars	As at 31.3.13	As at 31.3.12
6. OTHER NON CURRENT LIABILITIES		
Other Payables		
Security Deposit	500,000	500,000
TOTAL	500,000	500,000

Particulars	As at 31.3.13	As at 31.3.12
7. LONG-TERM PROVISIONS		
Provision For Employee Benefits		
Leave Encashment	114,385	117,441
TOTAL	114,385	117,441

Particulars	As at 31.3.13	As at 31.3.12
8. SHORT TERM BORROWINGS		
Loans/Advances repayable on demand from Banks		
Secured		
Canara Bank (OCC Account) (Secured by book debts, stock and Land at Bommasandra)	1,994,811	
Canara Bank (Bill Discounting) (Secured by book debts, stock and Land at Bommasandra)	2,871,856	7,823,793
TOTAL	4,866,667	7,823,793

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	as at 31.3.2013	as at 31.3.2012
9. TRADE PAYABLES		
Trade Payables To Related Parties	1,075,456	722,686
Trade Payables-Others	7,025,478	8,769,791
TOTAL	8,100,934	9,492,477

Particulars	as at 31.3.2013	as at 31.3.2012
10. OTHER CURRENT LIABILITIES		
Current Maturities of Long term Debt		
Loans from Banks		
Canara Bank Term Loan (Term Loan of Rs.3,44,05,043/- is secured by book debts, stock and Land at Bommasandra)	4,560,000	9,864,000
Short Term Maturities of Finance Lease Obligations		
From Banks		
-ICICI (Secured by Vehicle purchased out of above)	199,531	181,375
From Others		
- Tata Capital Ltd (Loans from Others are secured by Vehicles acquired out of the Above Loans)	1,032,782	994,987
Other Payables		
Unpaid Dividends	652,559	669,141
Other payables to Related Parties		
Directors - Reimbursement of Expenses	-	64,839
Rent Payable	-	40,500
Sikka N Sikka Engineers (P) Ltd	-	1,911,946
Director's Salary	62,550	75,800
Sitting Fees Payable	5,000	
Statutory Remittances Due	698,118	1,554,052
Other Payables to Employees	960,716	822,680
Others Payables	452,891	712,068
Advances From Customer for supplies/services	33,480,195	17,322,000
TOTAL	42,104,341	34,213,388

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	as at 31.3.2013	as at 31.3.2012
11. SHORT TERM PROVISIONS		
Provision For Employee Benefits		
Leave Encashment	21,047	20,961
Bonus	458,244	420,658
Provision For Others		
Provision for Proposed Dividend	2,544,105	2,544,105
Provision for Tax on Proposed Dividend	412,717	412,717
Provision for Taxation	14,632,036	33,864,036
TOTAL	18,068,149	37,262,477

Particulars	as at 31.3.2013	as at 31.3.2012
13. NON CURRENT INVESTMENTS		
Other Investments (At cost)		
Unquoted		
Investment in equity instruments in Subsidiary Companies		
Emsac Engineering Pvt Ltd	255,000	255,000
Current Year-2,55,000 Shares of Re.1.00/- each (Previous Year-2,55,000 Shares of Re.1.00/- each)		
Sikka n Sikka Engineers Pvt Ltd	12,698,000	12,698,000
Current Year-6,000 Shares of Rs.100/- each (Previous Year-6,000 Shares of Rs.100/- each)		
Sika Tourism Pvt Ltd	99,990	99,990
Current Year - 99,990 Shares of Re.1/- each (Previous Year - 99,990 Shares of Re.1/- each)		
Quoted		
Investment in equity in Other Companies		
Melstar Information Technologies Ltd (Market Value 2,456/-, Previous Year Rs.4,560/-)	9,520	9,520
Current Year-800 Shares of Rs.10/- each (Previous Year-800 Shares of Rs. 10/- each)		
Investment in Mutual Funds		
Birla Dynamic Bond Fund	250,000	-
Current Year-13,805.290 units of Rs.18.1090 each (Previous year-Nil) (Market Value-Rs.2,73,897,Previous Year-Nil)		
TOTAL	13,312,510	13,062,510

Note: a) Aggregate amount of quoted investments	259,520	9,520
b) Aggregate amount of unquoted investments	13,052,990	13,052,990
c) Aggregate market value of listed and quoted investments	276,353	4,560

Notes on Financial Statements for the Year ended 31st March, 2013

Note No. 12

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance at 1st April 2012	Additions	Deduction/ Adjustments	Balance as at 31st March 2013	Balance as at 1st April 2012	Depreciation for the year	Accumulated Depreciation on disposal of Assets	Balance as at 31st March 2013	As at 31st March 2013	As at 31st March 2012
(i) Tangible Assets										
Freehold Land**	2,55,140,290	-	-	255,140,290	-	-	-	-	255,140,290	255,140,290
Leasehold Land at Mysore	5,882,629	-	-	5,882,629	-	-	-	-	5,882,629	5,882,629
Building	1,32,16,793	-	-	1,32,16,793	6,047	4,41,441	-	4,47,488	1,27,69,305	1,32,10,746
Plant and Machinery	33,94,804	15,500	-	34,10,304	7,99,162	1,61,372	-	9,60,534	24,49,770	25,95,642
Office Equipments	34,21,002	4,96,373	6,94,403	32,22,972	16,32,454	1,46,789	6,94,403	10,84,840	21,38,132	17,88,548
Furniture and Fixtures	48,17,297	-	-	48,17,297	17,19,794	2,82,834	-	20,02,628	28,14,669	30,97,503
Vehicles	1,31,41,601	-	3,20,641	1,28,20,960	61,13,135	10,60,816	3,20,641	68,53,310	59,67,650	70,28,466
Computers	51,41,175	1,26,001	-	52,67,176	38,95,970	3,88,425	-	42,84,395	9,82,781	12,45,204
Total	30,41,55,591	6,37,874	10,15,044	30,37,78,421	1,41,66,562	24,81,677	10,15,044	1,56,33,195	28,81,45,226	28,99,89,028
Previous Year	3,29,17,545	27,32,64,101	20,26,055	30,41,55,591	1,33,27,340	19,14,729	10,75,507	1,41,66,562	28,99,89,028	1,95,90,205
(ii) Intangible Assets										
Right to use Land**	-	-	-	-	-	-	-	-	-	-
Software	3,25,000	4,47,717	-	7,72,717	143	97,836	-	97,979	6,74,738	3,24,857
Total	3,25,000	4,47,717	-	7,72,717	143	97,836	-	97,979	6,74,738	3,24,857
Previous Year	25,24,45,000	3,25,000	25,24,45,000	3,25,000	-	143	-	143	3,24,857	25,24,45,000
(iii) Capital Work In progress										
Factory at Bommasandra Unit	4,13,70,590	43,24,834	-	4,56,95,424	-	-	-	-	4,56,95,424	4,13,70,590
Tourism-Project	16,11,711	-	-	16,11,711	-	-	-	-	16,11,711	16,11,711
Total	4,29,82,301	43,24,834	-	4,73,07,135	-	-	-	-	4,73,07,135	4,29,82,301
Capital WIP Previous Year	4,69,63,716	92,91,369	1,32,72,784	4,29,82,301	-	-	-	-	4,29,82,301	2,03,95,929

** Right to use Land is now freehold land consequent to execution of conveyance deed in favour of the company.

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	As at 31 March 2013	As at 31 March 2012
14. LONG TERM LOANS AND ADVANCES Unsecured and Considered Good		
Balance with Government Authorities		
Advance Income Tax	13,855,000	30,452,128
TDS Receivable	2,156,794	2,090,940
CENVAT Receivable	53,976	57,909
Loan To Related Parties		
SIKA Tourism Pvt Ltd	-	19,320
Security Deposits	1,898,027	1,909,719
TOTAL	17,963,797	34,530,016

Particulars	As at 31.3.13	As at 31.3.12
15. INVENTORIES (At lower of cost and net realisable value)		
Raw Materials	4,513,728	1,796,200
Work in Progress	25,535,000	11,028,000
TOTAL	30,048,728	12,824,200

Particulars	Number of Shares as at 31.3.13	Number of Shares as at 31.3.12
16. TRADE RECEIVABLES Unsecured and Considered Good		
Trade Receivables-Related Parties		
Other Debts	152,158	-
Trade Receivables-Others		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	13,806,901	7,671,376
Other Trade Receivables	11,955,452	32,242,673
TOTAL	25,914,511	39,914,049

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	As at 31 March 2013	As at 31 March 2012
17. CASH AND CASH EQUIVALENTS		
Cash on Hand	31,622	17,174
Balance with Banks		
In Current Accounts	49,274	1,699,157
In EEFC Accounts	2,953,497	2,959,364
In Dividend Account	666,114	681,627
In Demand Deposit Accounts	29,796,228	18,892,019
Others		
Interest accrued on deposits	941,769	597,557
TOTAL	34,438,504	24,846,898

Notes:

(i) Balances with bank include deposits with remaining maturity of more than 12 months from the balance sheet date

16,297,459

18,892,019

Particulars	As at 31 March 2013	As at 31 March 2012
18. SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Balances with Government Authorities		
Octroi Receivable	213,309	213,309
CENVAT Receivable	127,996	-
Other Loans and Advances		
Advance Given to Employees	111,779	95,132
Advance Given To Suppliers	2,944,700	12,799,843
Other Loans and Advances	29,007	-
Prepaid Expenses	146,871	150,728
TOTAL	3,573,662	13,259,012

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
19. REVENUE FROM OPERATIONS		
Sale of Products		
Finished Engineering Systems	9,000,740	18,582,475
Engineering Products	28,394,250	47,185,064
Sale of Engineering Services	34,413,702	49,698,876
TOTAL	71,808,692	115,466,415

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
20. OTHER INCOME		
Interest from banks		
From Deposits	2,588,094	926,654
Net gain on foreign currency fluctuation	-	457,298
Net Capital Gain on sale of Investments	-	1,628,191
Other Income	505,536	44,694
Reimbursement of Freight Charges	35,000	-
Reimbursement of Packing and Forwarding	92,550	-
TOTAL	3,221,180	3,056,837

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
21. COST OF MATERIAL CONSUMED		
-Raw Materials Consumed		
Opening Stock	1,796,200	1,523,000
Add: Purchases	13,832,576	14,504,486
	15,628,776	16,027,486
Less: Closing Stock	4,513,728	1,796,200
	11,115,048	14,231,286
TOTAL	11,115,048	14,231,286

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
22. PURCHASES		
Purchase	23,723,151	47,032,158
TOTAL	23,723,151	47,032,158

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
23. CHANGES IN INVENTORY OF WORK IN PROGRESS		
Inventory at the end of the year		
Work in Progress	25,535,000	11,028,000
Total	25,535,000	11,028,000
Inventory at the beginning of the year		
Work in Progress	11,028,000	-
Total	11,028,000	-
Net (Increase)/Decrease	(14,507,000)	(11,028,000)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
24. EMPLOYEE BENEFIT EXPENSES		
Salaries and Wages	14,078,090	13,986,472
Staff welfare expenses	293,460	400,717
Contribution to Provident & Other Funds	759,529	710,296
TOTAL	15,131,079	15,097,485

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
25. FINANCE COSTS		
Interest Expense	2,189,807	925,524
Other Borrowing Costs	1,076,804	1,110,060
TOTAL	3,266,611	2,035,584

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
26. OTHER EXPENSES		
Consumption of stores and spares	101,612	5,260,200
Professional Charges	7,178,898	7,709,771
Advertisement	141,062	125,780
Seminar & Exhibition charges	1,593,827	878,665
Business Promotion	2,104,217	1,715,186
Subscription/Membership	169,388	267,259
Office Expenses	116,390	506,145
Books & Periodicals	7,913	14,679
Security Charges	493,298	478,333
Donations	10,000	15,000
Printing & Stationery	401,508	520,083
Rent	1,046,861	1,518,964
Rates and Taxes	276,628	473,242
Communication Expenses	657,166	654,621
Travel and Conveyance Expense	5,839,236	3,731,824
Insurance	199,817	308,172
Repairs & Maintenance	1,563,762	885,650
Electricity and Water Charges	724,758	742,348
Vehicle Maintenance	713,853	861,649
Miscellaneous Expenses	9,678	1,691
Loss on Sale of Car	-	331,500
Tender Fees	1,215	22,260
Labour Welfare Fund	588	630
Commitment Charges	-	726,000
Discounts, Bad Debts and other write offs	-	5,860
Sitting Fees	25,000	45,000
Foreign Exchange fluctuation	652,161	-
Bank Charges	317,056	449,262
Payment to Auditors		
As Auditors-Statutory Audit	196,630	193,025
As Auditors-Tax Audit	28,090	27,575
TOTAL	24,570,611	28,470,374

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
27. EARNINGS PER SHARE		
I.Net Profit As Per Profit And Loss Account Available For Equity Shareholders	6,401,116	13,174,169
II.Weighted Average Number Of Equity Shares For Earnings Per Share Computation		
a. For Basic Earnings per Share	4,240,175	4,240,175
b. For Diluted Earnings per Share	4,240,175	4,240,175
III.Earnings Per Share (Face Value of Rs.10/- each)		
Basic	1.51	3.11
Diluted	1.51	3.11

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
28. CONTINGENT LIABILITY AND COMMITMENTS		
- Bank Guarantee	49,822,786	29,415,206
TOTAL	49,822,786	29,415,206

NOTES ON ACCOUNTS AS AT 31.03.2013

29. The information required to be disclosed under the Micro, Small, Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.
30. Capital Reserve and Securities Premium are as per the scheme of merger approved by the Honorable High Court of Karnataka.
31. Expenditure in Foreign Currency

Particulars (Including Expenses Capitalized)	2012-13	2011-12
Raw Materials & components	1,00,47,197	74,04,486
Purchases	2,26,32,121	4,70,27,532
Travelling Expenses	17,86,125	8,23,778
Total	3,44,65,443	5,52,52,596

32. Impairment of Assets
In accordance with Accounting Standard - 28 issued by the Institute of Chartered Accounts of India, management has made an assessment and found that there is no impairment in the value of fixed assets.

33. Sale by class of goods

(Amounts in Rupees)

Particulars	31.03.2013	31.03.2012
1. Finished Engineering systems		
(a) Handling Systems	90,00,740	1,75,97,759
(b) Others	0,00	9,84,716
Total	90,00,740	1,85,82,475
2. Engineering Products		
(a) Servo Products	1,44,65,750	4,15,10,380
(b) Others	1,39,58,500	56,74,684
Total	2,83,94,250	4,71,85,064
3. Sale of Engineering Service		
(a) Designs and Drawings	2,48,95,043	2,71,50,826
(b) Others	91,08,728	2,25,48,050
Total	3,44,13,702	4,96,98,876

34. Consumption details of Raw Materials

(Amounts in Rupees)

Particulars	Opening Stock	Purchases	Closing Stock	Consumption
FY – 2012-13				
Mechanical Components	5,38,860	1,01,93,621	13,33,112	93,99,369
Electrical Components	11,67,530	5,76,376	10,54,371	6,89,535
Others	89,810	30,62,579	21,26,250	10,26,139
Total	17,96,200	1,38,32,576	45,13,723	1,11,15,043
FY 2011-12				
Mechanical Components	4,56,900	43,51,346	5,38,860	42,69,386
Electrical Components	9,89,950	94,27,916	11,67,530	92,50,336
Others	76,150	7,25,224	89,810	7,11,564
Total	15,23,000	1,45,04,486	17,96,200	1,42,31,286

35. Purchases for Engineering Products

(Amounts in Rupees)

Particulars	31.03.2013	31.03.2012
Mechanical Components	1,05,11,818	69,65,804
Electrical Components	1,18,99,347	3,95,97,634
Others	13,11,986	4,68,720
Total	2,37,23,151	4,70,32,158

36. Earnings in Foreign Currency (on FOB basis)

Particulars	2012-13	2011-12
Others (on A/c. of Export Services & sales)	2,48,95,043	3,59,97,052

37. Related party transactions

(Amounts in Rupees)

Particulars	Referred to in (a) below		Referred to in (a) below		Referred to in (a) below	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Purchase:						
Goods and Materials (including service)	14,54,023	8,02,984	-	-	-	-
Sales:						
Goods and Materials (including service)	9,00,000	3,30,900	-	-	-	-
Expenses:						
a. Remuneration	-	-	21,97,651	23,28,955	-	-
b. Rent	-	-	-	-	4,05,000	5,40,000
c. Service	5,40,000	-	-	-	-	-
d. Prof charges	-	-	-	-	4,23,400	2,40,000
e. Gratuity	-	-	-	14,27,885	-	-
f. Salary Paid	-	-	-	-	13,63,797	5,32,259
Other Transactions						
Loans Borrowed/ Recovered	36,24,473	16,19,320	-	-	-	-
Loans Repaid / Given	21,839	16,00,000	-	-	-	-
Purchase of Fixed Assets	-	19,11,946	-	-	-	-
Interest	1,92,308					
Outstanding:						
a. Rent	-	-	-	-	-	45,000
b. Maintainance	-	-	-	-	-	-
c. Prof Charges / Remuneration	-	-	62,550	75,800	1,56,800	1,01,800
d. Payable purchase of fixed Assets	-	19,11,946	-	-	-	-
e. Service Charges payable / (receivable) net	9,23,298	7,22,686	-	-	-	-
f. Loans payable	37,73,077	-	-	-	-	-

Related Party Information

Relationship

- a. Where significant influence exists(Affiliates)
 1. M/s. Sikka N Sikka Engineers Pvt Ltd
 2. M/s. Emsac Engineering Pvt Ltd
 3. M/s. Sika Tourism Pvt Ltd

- b. Key Management Personnel
 1. Mr. Rajeev Sikka
 2. Mr. Sanjeev Sikka

- c. Relatives of Directors
 1. Mrs. Krishna Sikka
 2. Mrs. Anuradha Sikka
 3. Mr. Kunal Sikka

38. Balances in loans, advances, deposits given and loans received, Sundry Debtors, Creditors and Unpaid Dividend are subject to confirmation and reconciliation.

39. Previous year's figures have been regrouped / recast / restated, wherever necessary, to make them comparable with those of the current year.

For and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

For and on behalf of the board

Kusuma Yathish
Partner
Membership No.209637

Rajeev Sikka
Chairman & Managing Director

R.N.Chawhan
Director

Dr.C.G.Krishnadas Nair
Director

Dr.J.M.Deb Nath
Director

Bangalore, 30th May, 2013

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
Sika Interplant Systems Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SIKA INTERPLANT SYSTEMS LIMITED** ("the Company") and its subsidiaries, which comprise the Consolidated Balance Sheet as at 31st March, 2013 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of subsidiary give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

1. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (net) of Rs. 63,721/- as at March 31, total revenues (net) of Rs. 45,77,974/- and net cash flows amounting to Rs. (8,95,551/-) for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matters.

Bangalore, 30th May, 2013

For and on Behalf
M/s. Shekar & Yathish
Chartered Accountants
FRN.008964S

Kusuma Yathish
Partner
M No.209637

SIKA INTERPLANT SYSTEMS LTD
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2013

Particulars	Note No.	As at 31 March 2013	As at 31 March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	42,401,750	42,401,750
(b) Reserves and Surplus	3	325,602,478	321,879,894
(c) Minority Interest of subsidiaries		915,199	865,049
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	13,573,225	15,842,962
(b) Deferred Tax Liabilities	5	1,599,909	1,285,447
(c) Other Long-Term Liabilities	6	500,000	500,000
(d) Long-Term Provisions	7	114,385	117,441
(3) Current Liabilities			
(a) Short-Term Borrowings	8	4,866,667	7,823,793
(b) Trade Payables	9	7,473,337	8,769,791
(c) Other Current Liabilities	10	42,562,918	32,645,320
(d) Short-Term Provisions	11	18,233,582	37,356,935
Total		457,843,449	469,488,381
II.Assets			
(1) Non-Current Assets			
(a) Fixed Assets	12		
(i) Tangible Assets		290,104,075	292,081,100
(ii) Intangible Assets		4,136,068	3,786,186
(iii) Capital Work-In-Progress		47,307,135	42,982,30
(b) Non Current Investments	13	930,344	1,478,020
(c) Long Term Loans and Advances	14	18,667,818	34,967,087
(2) Current Assets			
(a) Inventories	15	30,775,688	12,824,200
(b) Trade Receivables	16	26,499,985	39,973,334
(c) Cash and Cash Equivalents	17	35,685,038	28,069,044
(d) Short Term Loans and Advances	18	3,691,925	13,286,554
(e) Other Current Assets	19	45,374	40,556
Total		457,843,449	469,488,381

Significant Accounting Policies
Notes On Financial Statements

1 to 44

The Schedules referred to above form an integral part of this Balance Sheet.
As per our report of even date.

For and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

Rajeev Sikka
Chairman & Managing Director

R.N.Chawhan
Director

Kusuma Yathish
Partner
Membership No.209637

Dr.C.G.Krishnadas Nair
Director

Dr.J.M.Deb Nath
Director

Bangalore, 30th May, 2013

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Note No.	As at 31 March 2013	As at 31 March 2012
I. Revenue From Operations	20	74,021,725	119,117,778
II. Other Income	21	3,663,964	3,132,028
III. Total Revenue (I +II)		77,685,689	122,249,806
IV. Expenses:			
Cost of Materials Consumed	22	12,316,021	14,231,286
Purchases of Stock in Trade	23	21,729,128	48,612,354
Changes in Inventories of Work in Progress	24	(15,491,000)	(11,028,000)
Employee Benefits Expense	25	16,828,530	16,422,855
Finance Costs	26	3,083,031	2,035,584
Depreciation and Amortization Expense	12	2,712,736	2,048,095
Other Expenses	27	26,738,873	29,475,629
Total Expenses		67,917,319	101,797,803
V. Profit Before Tax (III - IV)		9,768,370	20,452,003
VI. Tax Expense:			
(1) Current Tax expense for Current year		2,720,976	6,724,458
(2) Current Tax expense for Earlier years		(253,661)	397,251
(3) Deferred Tax Expenses		314,461	532,104
VII. Profit before share of profit of associates and Minority Interest (V - VI)		6,986,594	12,798,190
VIII. Minority Interest		50,150	94,105
IX. Profit for the year (VII-VIII)		6,936,444	12,704,085
X. Earning Per Share			
(1) Basic	28	1.64	2.97
(2) Diluted	28	1.64	2.97

Significant Accounting Policies
Notes On Financial Statements

1 to 44

The Schedules referred to above form an integral part of this Balance Sheet.
As per our report of even date.

For and on behalf of
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

Rajeev Sikka
Chairman & Managing Director

R.N.Chawhan
Director

Kusuma Yathish
Partner
Membership No.209637

Dr.C.G.Krishnadas Nair
Director

Dr.J.M.Deb Nath
Director

Bangalore, 30th May, 2013

Consolidated Cash Flow Statement for the Year ended 31.03.2013

	Particulars	As on 31.3.2013	As on 31.3.2012
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Net Income before Taxation and Extraordinary items	9,768,370	20,452,004
	Add/(Less) : Adjustments for :-		
	Depreciation and amortization	2,712,736	2,048,095
	Loss on sale of fixed assets	-	331,500
	Finance Cost	3,083,031	2,490,499
	Net Gain on Sale of Investments	(360,113)	(1,628,191)
	Interest on Deposits	(2,651,170)	(1,001,845)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	12,552,855	22,692,062
	Changes in Working Capital		
	Adjustments for (increase)/decrease in operating assets		
	Trade Receivables	13,473,349	(4,541,121)
	Inventories	(18,208,528)	(11,301,200)
	Short-term Loans & Advances	9,594,629	1,318,215
	Other Current Assets	(4,818)	(20,556)
	Adjustments for increase/(decrease) in operating liabilities		
	Trade Payables	(1,296,454)	(7,821,455)
	Other current liabilities (excluding current maturity of Long Term Loan)	9,917,598	13,928,978
	Short-Term Provisions	(19,123,353)	(6,570,001)
	Long-Term Provisions	(3,056)	(83,558)
	Cash generated from operations	6,902,221	7,601,364
	Less: Tax Adjustment (paid)/refund	(2,467,315)	(7,121,709)
	NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	4,434,906	479,655
B.	CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
	Capital Expenditure on Fixed Assets	(5,410,425)	(15,250,740)
	Proceeds from Sale of Fixed Assets	-	619,048
	Interest on Bank Deposits	2,651,170	1,001,845
	Net Gain on Sale of Investments	360,113	1,628,191
	Sale of Current Investments	-	15,095,595
	Sale of Non Current Investments	1,400,000	(91,216)
	Purchase of Current Investments	-	-
	Purchase of Non Current Investments	(852,324)	-
	Long Term Loans & Advances	16,299,269	2,514,199
	NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	14,447,802	5,516,922

	Particulars	As on 31.3.2013	As on 31.3.2012
C.	<u>CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</u>		
	Proceeds from issue of Equity Shares	-	100,000
	Finance Cost	(3,083,031)	(2,490,499)
	Proceeds from Long Term Borrowings	-	6,680,939
	Repayment of Long Term Borrowings	(2,269,737)	-
	Repayment of Short Term Borrowings	(2,957,126)	-
	Proceeds from Short Term Borrowings	-	7,773,466
	Dividends Paid	(2,544,105)	(2,544,105)
	Tax on Dividend	(412,717)	(412,717)
	NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	(11,266,717)	9,107,084
D]	NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	7,615,991	15,103,661
	Add: Cash and Cash Equivalents at beginning of the year	28,069,047	12,965,386
	Cash and Cash Equivalents at end of the year*	35,685,038	28,069,047
	* Comprises:		
	(a) Cash on hand	36,162	33,040
	(b) Balances with banks - In current accounts	3,999,615	7,691,804
	(c) Deposits considered as part of cash and cash equivalents	30,696,228	19,742,018
	(d) Interest accrued on deposits	953,033	602,183
		35,685,038	28,069,047

As per our report of even due
M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

For and on behalf of the board

Kusuma Yathish
Partner
Membership No.209637

Rajeev Sikka
Chairman & Managing Director

R.N.Chawhan
Director

Dr.C.G.Krishnadas Nair
Director

Dr.J.M.Deb Nath
Director

Bangalore, 30thMay, 2013

I. Principles of Consolidation & Significant Accounting Policies:

1. Principles of Consolidation:

- a. The consolidated financial statements relate to Sika Interplant Systems Limited (parent company), its subsidiaries. The consolidated financial statements have been prepared on the following basis.
- The financial statements of the parent company and its Subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of incomes, expenses, assets and liabilities, after eliminating the intra group balances, intra group transactions and unrealized profits or losses in accordance with Accounting Standard 21 on "consolidated Financial Statements". The share of Minority interest in the subsidiaries has been disclosed separately in the "Consolidated Financial Statements"
 - The Consolidated financial statements have been prepared using uniform accounting policies for the like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements.
 - The excess of cost to the parent company of its investment in the respective subsidiary company is recognized in the financial statements as goodwill.
- b. The Consolidated Financial Statements include the results of the following entities.

Sl. No.	Name of the Company	Relation	Ownership Interest
1	Sikka N Sikka Engineers Pvt. Ltd.	Subsidiary	100%
2	Emsac Engineering Pvt. Ltd.	Subsidiary	51%
3	Sika Tourism Pvt. Ltd.	Subsidiary	99.99%

II. Significant Accounting Policies:

- a. Significant Accounting Policies of the parent company and its subsidiaries are similar in nature except for accounting of retirement Benefits in accordance with AS 15 in Sikka N Sikka Engineers Pvt. Ltd. However impact of the same is not material and the accounting policies of the parent company are enclosed as Annexure 1

1. Significant Accounting Policies:

a. Accounting Convention:

The Financial statements are prepared under the historical cost convention, in accordance with generally accepted accounting principals, the mandatory accounting standards prescribed by the Institute of Chartered Accountants of India and the provisions of the Companies Act.

b. Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment (if any). All costs relating to the acquisition and installation of fixed assets have been capitalized.

Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes land, related acquisition expenses, development/construction costs, borrowing costs and other direct expenditure including advances to contractors and others.

Intangibles having the characteristic of assets, capable of generating future economic benefits and are reliably measurable are stated at cost.

Depreciation/Amortisation

Depreciation on assets has been provided at the rates specified in Schedule XIV of the Companies Act, 1956 on straight-line method.

Amortisation of Intangibles is done based on the benefits derived. Amortization is not being done in respect of intangibles which are available for use to the company in perpetuity.

c. Valuation of Inventories:

Stock of spare parts, raw materials and stock in trade are valued at lower of cost and net realizable value. Work-in-progress is valued at cost.

d. Valuation of Investments:

Current investments, are valued at the lower of cost and market value.

e. Retirement Benefits:

Company has Group Gratuity policy with Life Insurance Corporation of India and the premiums determined there at is charged to revenue. The Company has provided for Leave Encashment based on accumulated un-availed leave by the employees as on the date of Balance Sheet.

f. Revenue Recognition:

1. Revenue from sale of goods is recognized on passing of the property in goods.
2. Services – Revenue from services is recognized on completion of service.
3. Warranties –Revenue from warranties in connection with post sale services is recognized on pro-rata basis over the warranty period.
4. Profit on sale of investments: Profit / loss on sale of investments are recognized on the date of redemption.

g. Foreign Currency Transactions:

Transactions in foreign currency are recorded using the spot rate at the transaction date and exchange differences resulting from settled transactions are adjusted in the profit and loss account. At the balance sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at exchange rates as at the balance sheet date. Those relating to acquisition of fixed assets are adjusted to the cost of assets.

h. Provisions:

A provision is recognized when outflow of resources will be required to settle a present obligation as a result of past events. Accordingly provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

i. Segment Reporting Policies
Primary Business Segments:

The Company is primarily engaged in the business of manufacturing and rendering of services in engineering products and designs. For all purposes the company is organized into one operating activity of Engineering products and services. Accordingly the Company is of the view that it has only one business segment. The Company has no activity outside India except for export of Engineering Services. Thereby there is no geographical segment.

j. Impairment of Assets

At each Balance Sheet date the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount and if this is lower than the carrying amount of the asset, an impairment loss is recognized in the Profit and Loss account to the extent the carrying amount exceeds the recoverable amount.

k. Taxation**Current Taxation and Deferred Taxation:**

Provision for current income tax is made on the assessable income at the rates applicable to the relevant assessment year.

Deferred Tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversing in one or more subsequent periods.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

l. Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares are outstanding during the period adjusted for events including a bonus issue, bonus element in a rights issue to existing share holders, share split and reverse share split.

Notes on Consolidated Financial Statements for the Year ended 31st March, 2013

Particulars	As at 31 March 2013	As at 31 March 2012
2.SHARE CAPITAL		
Equity Shares with Voting Rights Authorised 5,000,000 Equity Shares of Rs. 10/- each (Previous Year 5,000,000 Equity Shares of Rs.10 /- each)	50,000,000	50,000,000
Equity Shares with Voting Rights Issued and Subscribed 42,40,175 Equity Shares of Rs. 10/- each (Previous Year 42,40,175 Equity Shares of Rs.10 /- each) (Of the above shares, 26,00,000 shares are issued for consideration other than cash)	42,401,750	42,401,750
Equity Shares with Voting Rights Paid Up 42,40,175 Equity Shares of Rs. 10/- each (Previous Year 42,40,175 Equity Shares of Rs.10 /- each) (Of the above shares, 26,00,000 shares are issued for consideration other than cash)	42,401,750	42,401,750
TOTAL	42,401,750	42,401,750

Details of Shareholders holding more than 5% shares

Name of the Shareholder	As at 31 March 2013	As at 31 March 2012
Equity Shares with Voting Rights Ultraweld Engineers Private Limited No of Shares % held	2,953,185 69.65%	2,931,089 69.13%

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2013	As at 31 March 2012
Opening Balance	4,240,175	4,240,175
Add. Issued during the year	-	-
Less. Bought back during the year	-	-
Closing Balance	4,240,175	4,240,175

Particulars	As at 31 March 2013	As at 31 March 2012
3.RESERVES AND SURPLUS		
General Reserve	44,01,400	44,01,400
Capital Reserve	6,06,76,001	6,06,76,001
Securities Premium Account	17,79,67,000	17,79,67,000
Profit/Loss for the Year		
Opening Balance	7,88,35,495	6,89,94,125
Add :Transferred from Statement of Profit and Loss	69,36,444	1,27,98,190
	8,57,71,940	8,17,92,316
Less:		
(1) Proposed Dividend (Dividends Proposed to be Distributed to Equity Shareholders (Rs.60 paise per share))	25,44,105	25,44,106
(2)Tax On Proposed Dividend	4,12,717	4,12,717
	29,56,822	29,56,823
Less: Stock Reserve (Refer Note 39)	2,57,040	-
Closing Balance	8,25,58,007	7,88,35,493
TOTAL	32,56,02,478	32,18,79,894

Particulars	As at 31 March 2013	As at 31 March 2012
NON CURRENT LIABILITIES		
4. LONG TERM BORROWINGS		
A. Loans from Banks		
Secured		
Canara Bank Loan (Term Loan of Rs. 3,44,05,043/- is Secured by book debts, stock and Land at Bommasandra)	1,28,39,609	1,38,74,000
ICICI Bank Loan (Secured by Vehicle purchased out of above)	2,22,627	4,22,157
B. From Other Parties		
Secured		
Tata Capital Ltd. (Loans from Others are secured by Vehicles acquired out of the Above Loans)	5,10,989	15,46,805
TOTAL	1,35,73,225	1,58,42,962

Particulars	As at 31 March 2013	As at 31 March 2012
5. DEFERRED TAX LIABILITY		
In view of the accumulated impact of deferred tax arising on account of timing differences and expected to be reversed during forthcoming years is recognised as an adjustment to balance of Profit and Loss Account as prescribed in AS 22. The composition of accumulated deferred tax asset is as under:		
- Deferred Tax liability Related to Fixed Assets- Depreciation	17,62,802	14,49,590
- Deferred Tax Asset Related to expenditure which will be allowed under the Income tax Act, 1961 only on payment basis	1,62,892	1,64,143
- Deferred Tax liability(Net)	15,99,910	12,85,447

Particulars	As at 31 March 2013	As at 31 March 2012
6. OTHER NON CURRENT LIABILITIES		
Other Payables		
Security Deposit	5,00,000	5,00,000
TOTAL	5,00,000	5,00,000

Particulars	As at 31 March 2013	As at 31 March 2012
7. LONG-TERM PROVISIONS		
Provision For Employee Benefits		
Leave Encashment	1,14,385	1,17,441
TOTAL	1,14,385	1,17,441

Particulars	As at 31 March 2013	As at 31 March 2012
8. SHORT TERM BORROWINGS		
Loans/Advances repayable on demand from Banks		
Secured		
Canara Bank (OCC Account) (Secured by book debts, stock and Land at Bommasandra)	19,94,811	
Canara Bank (Bill Discounting) (Secured by book debts, stock and Land at Bommasandra)	28,71,856	78,23,793
TOTAL	48,66,667	78,23,793

Particulars	As at 31 March 2013	As at 31 March 2012
9. TRADE PAYABLES		
Trade Payables-Others	74,73,337	87,69,791
TOTAL	74,73,337	87,69,791

Particulars	As at 31 March 2013	As at 31 March 2012
10. OTHER CURRENT LIABILITIES		
Current Maturities of Long term Debt		
Loans from Banks		
Canara Bank Term Loan (Term Loan of Rs.3,44,05,043/- is secured by book debts, stock and Land at Bommasandra)	45,60,000	98,64,000
From Banks		
-ICICI (Secured by Vehicle purchased out of above)	1,99,531	1,81,375
From Others		
- Tata Capital Ltd (Loans from Others are secured by Vehicles acquired out of the Above Loans)	10,32,782	9,94,987
Other Payables		
Unpaid Dividends	6,52,559	6,69,141
Other payables to Related Parties		
Directors - Reimbursement of Expenses	-	64,839
Rent Payable	8,518	40,500
Director's Salary	62,550	75,800
Sitting Fees Payable	5,000	
Statutory Remittances Due	7,83,848	16,41,034
Other Payables to Employees	11,70,018	9,35,468
Others Payables	5,22,436	8,56,176
Advances From Customer for supplies/services	3,35,65,677	1,73,22,000
TOTAL	4,25,62,918	3,26,45,320

Particulars	As at 31 March 2013	As at 31 March 2012
11. SHORT TERM PROVISIONS		
Provision For Employee Benefits		
Leave Encashment	21,047	20,961
Bonus	4,58,244	4,20,658
Provision For Others		
Provision for Proposed Dividend	25,44,105	2,544,105
Provision for Tax on Proposed Dividend	4,12,717	4,12,717
Provision for Taxation	1,47,97,470	3,39,58,494
TOTAL	1,82,33,582	3,73,56,935

Particulars	As at 31 March 2013	As at 31 March 2012
13. NON CURRENT INVESTMENTS		
Other Investments (At cost)		
Quoted		
Investment in Equity Instruments		
Melstar Information Technology (Market Value 6,560/-) (Current Year-800 Shares of Rs.10/- each; Previous Year-800 of Rs. 10/- each)	9,520	9,520
Investment in Mutual Funds		
ICICI Prudential	-	7,00,000
Reliance	-	7,00,000
Birla Dynamic Bond Fund	2,50,000	
Birla Sunlife	2,00,000	-
Birla (Floating)	2,02,324	-
IDFC Mutual Fund	1,00,000	-
Templeton India	1,00,000	-
Unquoted		
Government Securities	68,500	68,500
TOTAL	9,30,344	14,78,020

Note: a) Aggregate amount of quoted investments	6,09,520	14,09,520
b) Aggregate amount of unquoted investments	68,500	68,500
c) Aggregate market value of listed and quoted investments	5,99,498	16,31,601

Particulars	As at 31 March 2013	As at 31 March 2012
14. LONG TERM LOANS AND ADVANCES Unsecured and Considered Good		
Balance with Government Authorities		
Advance Income Tax	1,39,10,000	3,04,77,128
TDS Receivable	26,71,750	23,88,266
CENVAT Receivable	53,976	57,909
Security Deposits	20,32,092	20,43,784
TOTAL	1,86,67,818	3,49,67,087

Particulars	As at 31 March 2013	As at 31 March 2012
CURRENT ASSETS		
15. INVENTORIES (At lower of cost and net realisable value)		
Raw Materials	45,13,728	17,96,200
Work in Progress	2,55,35,000	1,10,28,000
Finished Goods	9,84,000	
	3,10,32,728	1,28,24,200
Less: Stock Reserve (Refer note 39)	2,57,040	-
TOTAL	3,07,75,688	1,28,24,200

Particulars	As at 31 March 2013	As at 31 March 2012
16. TRADE RECEIVABLES Unsecured and Considered Good		
Trade Receivables-Related Parties		
Other Debts	-	-
Unsecured and Considered Good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	1,38,06,901	76,71,376
Other Trade Receivables	1,26,93,085	3,23,01,959
TOTAL	2,64,99,986	3,99,73,335

Particulars	As at 31 March 2013	As at 31 March 2012
17. CASH AND CASH EQUIVALENTS		
Cash on Hand	36,162	33,040
Balance with Banks		
In Current Accounts	3,80,004	48,50,812
In EEFC Accounts	29,53,497	29,59,364
In Dividend Account	6,66,114	6,81,627
In Demand Deposit Accounts	3,06,96,228	1,89,42,019
Others		
Interest accrued on deposits	9,53,033	6,02,182
TOTAL	3,56,85,038	2,80,69,044

Notes:**(i) Deposits with a Maturity Period of More than 12 Months****50,000**

Particulars	As at 31 March 2013	As at 31 March 2012
18. SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Balances with Government Authorities	-	
Octroi Receivable	2,13,309	2,13,309
CENVAT Receivable	2,20,942	27,440
Other Loans and Advances		
Advance Given to Employees	1,11,779	95,132
Advance Given To Suppliers	29,69,700	1,27,99,843
Other Loans and Advances	29,324	102
Prepaid Expenses	1,46,871	1,50,728
TOTAL	36,91,925	1,32,86,554

Particulars	As at 31 March 2013	As at 31 March 2012
19. OTHER CURRENT ASSETS		
Unamortised Expenses		
Pre-Operative Expenses	22,472	11,236
Preliminary Expenses	22,903	29,320
TOTAL	45,375	40,556

Notes on Consolidated Financial Statements for the Year ended 31st March, 2013

12. Fixed Assets

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance at 1st April 2012	Additions	Deduction/ Adjustments	Balance as at 31st March 2013	Balance as at 1st April 2012	Depreciation for the year	Accumulated Depreciation on disposal of Assets	Balance as at 31st March 2013	As at 31st March 2013	As at 31st March 2012
(i) Tangible Assets										
Freehold Land**	25,43,81,946	-	-	25,43,81,946	-	-	-	-	25,43,81,946	25,43,81,946
Leasehold Land at Mysore	66,40,973	-	-	66,40,973	-	-	-	-	66,40,973	66,40,973
Building	1,54,04,057	-	-	1,54,04,057	3,35,221	5,14,496	-	8,49,717	1,45,54,340	1,50,68,836
Plant and Machinery	38,78,349	15,500	-	38,93,849	12,32,555	1,84,340	-	14,16,895	24,76,954	26,45,794
Office Equipments	34,97,487	4,96,373	6,94,403	32,99,457	16,47,370	1,50,422	6,94,403	11,03,389	21,96,068	18,50,117
Furniture and Fixtures	48,71,749	-	-	48,71,749	17,32,041	2,86,281	-	20,18,322	28,53,427	31,39,708
Vehicles	1,31,41,601	-	3,20,641	1,28,20,960	61,13,135	10,60,816	3,20,641	68,53,310	59,67,650	70,28,466
Computers	53,26,990	1,26,001	-	54,52,991	40,01,730	4,18,545	-	44,20,275	10,32,716	13,25,260
Total	30,71,43,152	6,37,874	10,15,044	30,67,65,982	1,50,62,052	26,14,900	10,15,044	1,66,61,907	29,01,04,075	29,20,81,100
Previous Year	3,29,17,545	27,32,64,101	20,26,055	30,41,55,591	1,33,27,340	19,14,729	10,75,507	1,41,66,562	28,99,89,028	1,95,90,205
(ii) Intangible Assets										
Goodwill	34,61,330	-	-	34,61,330	-	-	-	-	34,61,330	34,61,330
Software	3,25,000	4,47,717	-	7,72,717	143	97,836	-	97,979	6,74,738	3,24,857
Total	37,86,330	4,47,717	-	42,34,047	143	97,836	-	97,979	41,36,068	37,86,187
Previous Year	25,24,45,000	3,25,000	25,24,45,000	3,25,000	-	143	-	143	3,24,857	25,24,45,000
(iii) Capital Work In progress										
Factory at Bommasandra Unit	4,13,70,590	43,24,834	-	4,56,95,424	-	-	-	-	4,56,95,424	4,13,70,590
Tourism-Project	16,11,711	-	-	16,11,711	-	-	-	-	16,11,711	16,11,711
Total	4,29,82,301	43,24,834	-	4,73,07,135	-	-	-	-	4,73,07,135	4,29,82,301
Capital WIP Previous Year	4,69,63,716	92,91,369	1,32,72,784	4,29,82,301	-	-	-	-	4,29,82,301	2,03,95,929

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
20. REVENUE FROM OPERATIONS		
-Sale of Products		
Finished Engineering Systems	90,00,740	1,85,82,475
Engineering Products	3,06,59,250	4,71,85,064
-Sale of Engineering Services	3,44,61,735	5,33,50,239
TOTAL	7,40,21,725	11,91,17,778

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
21. OTHER INCOME		
-Interest from banks		
From Deposits	26,51,170	10,01,845
-Dividend Received	2,324	
-Net gain on foreign currency fluctuation	-	4,57,298
-Net Gain on sale of Investments	3,60,113	16,28,191
-Other Income	6,50,358	44,694
-Liabilities no longer payable written back	-	-
TOTAL	36,63,964	31,32,028

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
22. COST OF MATERIAL CONSUMED		
-Raw Materials Consumed		
Opening Stock	17,96,200	15,23,000
Add: Purchases	1,50,33,549	1,45,04,486
	1,68,29,749	1,60,27,486
Less: Closing Stock	45,13,728	17,96,200
	1,23,16,021	1,42,31,286
TOTAL	1,23,16,021	1,42,31,286

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
23. PURCHASES		
Purchase	2,17,29,128	4,86,12,354
TOTAL	2,17,29,128	4,86,12,354

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
24. CHANGES IN INVENTORY OF WORK IN PROGRESS		
Inventory at the end of the year		
Work in Progress	2,65,19,000	1,10,28,000
Total	2,65,19,000	1,10,28,000
Inventory at the beginning of the year		
Work in Progress	1,10,28,000	-
Net (Increase)	(1,54,91,000)	(1,10,28,000)

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
25. EMPLOYEE BENEFIT EXPENSES		
- Salaries and Wages	1,57,30,083	1,53,05,792
- Staff welfare expenses	3,33,602	4,00,867
- Contribution to Provident & Other Funds	7,64,845	7,16,196
TOTAL	1,68,28,530	1,64,22,855

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
26. FINANCE COSTS		
- Interest Expense	20,06,227	9,25,524
- Other Borrowing Costs	10,76,804	11,10,060
TOTAL	30,83,031	20,35,584

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
27. OTHER EXPENSES		
-Consumption of stores and spares	101,612	52,60,200
-Professional Charges	82,39,648	74,52,387
-Advertisement	1,41,062	1,25,780
-Seminar & Exhibition charges	15,93,827	8,78,665
-Business Promotion	21,68,806	17,15,186
-Subscription/Membership	1,78,506	2,85,681
-Office Expenses	1,29,340	5,18,895
-Tender Fees	1,360	22,260
-Labour Welfare Fund	588	630
-Books & Periodicals	7,913	14,679
-Security Charges	5,29,298	4,78,333
-Donations	10,000	15,000
-Printing & Stationery	4,28,663	5,49,522
-Rent	13,63,901	17,13,176
-Rates and Taxes	2,90,617	4,81,874
-Communication Expenses	7,14,005	6,75,037
-Travel and Conveyance Expense	62,17,519	41,66,358
-Insurance	2,04,877	3,12,186
-Repairs & Maintenance	16,53,267	17,93,794
-Electricity and Water Charges	7,24,758	
-Vehicle Maintenance	7,13,853	8,61,649
-Exchange loss	6,68,029	11,267
-Miscellaneous Expenses	16,448	10,240
-Loss on Sale of Car	-	3,31,500
-Commitment Charges	-	7,26,000
-Discounts, Bad Debts and other write offs	-	2,80,003
-Sitting Fees	25,000	45,000
-Bank Charges	3,25,077	4,64,577
-Postage	-	-
-Preliminary Expenses written off	10,000	10,000
Payment to Auditors		
As Auditors-Statutory Audit	2,52,810	2,48,175
As Auditors-Tax Audit	28,090	27,575
TOTAL	2,67,38,873	2,94,75,629

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
28. EARNINGS PER SHARE		
I.Net Profit As Per Profit And Loss Account Available For Equity Shareholders	69,36,444	1,26,06,140
II.Weighted Average Number Of Equity Shares For Earnings Per Share Computation		
a. For Basic Earnings per Share	42,40,175	42,40,175
b. For Diluted Earnings per Share	42,40,175	42,40,175
III.Earnings Per Share (Face Value of Rs.10/- each)		
Basic	1.64	2.97
Diluted	1.64	2.97

Particulars	For the Year ended 31 March 2013	For the Year ended 31 March 2012
29. CONTINGENT LIABILITY AND COMMITMENTS		
- Bank Guarantee	4,98,22,786	2,94,15,206
TOTAL	4,98,22,786	2,94,15,206

CONSOLIDATED NOTES ON ACCOUNTS AS AT 31.03.2013

30. The information required to be disclosed under the Micro, Small, Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.
31. Capital Reserve and Securities Premium are as per the scheme of merger approved by the Honorable High Court of Karnataka.
32. Interest since the benefit has already been considered in Statement of Profit and Loss.
33. Expenditure in Foreign Currency

Particulars (Including Expenses Capitalized)	2012-13	2011-12
Raw Materials & components	1,00,47,197	74,04,486
Purchases	2,26,32,121	4,70,27,532
Travelling Expenses	17,86,125	8,23,778
Total	3,44,65,443	5,52,52,596

34. Impairment of Assets

In accordance with Accounting Standard - 28 issued by the Institute of Chartered Accounts of India, management has made an assessment and found that there is no impairment in the value of fixed assets.

35. Sale by class of goods

(Amounts in Rupees)

Particulars	31.03.2013	31.03.2012
1. Finished Engineering systems		
(a) Handling Systems	90,00,740	1,75,97,759
(b) Others	-	9,84,716
Total	90,00,740	1,85,82,475
2. Engineering Products		
(a) Servo Products	1,44,65,750	4,15,10,380
(b) Others	1,61,93,500	56,74,684
Total	3,06,59,250	4,71,85,064
3. Sale of Engineering Service		
(a) Designs and Drawings	2,40,55,043	2,71,50,826
(b) Others	1,03,06,692	2,55,24,397
Total	3,43,61,735	5,26,75,223

36. Consumption details of Raw Materials

(Amounts in Rupees)

Particulars	Opening Stock	Purchases	Closing Stock	Consumption
FY – 2012-13				
Mechanical Components	5,38,860	1,01,93,621	13,33,112	93,99,369
Electrical Components	11,67,530	5,76,376	10,54,371	6,89,535
Others	89,810	42,63,552	21,26,250	22,27,112
Total	17,96,200	1,50,33,549	45,13,733	1,23,16,016
FY 2011-12				
Mechanical Components	4,56,900	43,51,346	5,38,860	42,69,386
Electrical Components	9,89,950	94,27,916	11,67,530	92,50,336
Others	76,150	7,25,224	89,810	7,11,564
Total	15,23,000	1,45,04,486	17,96,200	1,42,31,286

37. Purchases for Engineering Products

Particulars	31.03.2013	31.03.2012
Mechanical Components	99,71,818	69,65,804
Electrical Components	1,04,45,324	3,95,97,634
Others	13,11,986	4,68,720
Total	2,17,29,128	4,70,32,158

38. Emsac Engineering (P) Ltd (Subsidiary company) had rendered the services to Sika Interplant Systems (holding company), being upward transaction, stock reserve on the same has been reduced from Reserves & Surplus and the effect of the same is not given to Minority

39. Earnings in Foreign Currency (on FOB basis)

Particulars	2012-13	2011-12
Others (on A/c. of Export sales)	2,49,51,711	3,59,97,052

40. Related party transactions

Amount in Rupees

Particulars	Referred to in (a) below		Referred to in (a) below	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Expenses				
a. Remuneration	21,97,651	23,28,955	-	-
b. Rent	-	-	1,80,000	5,40,000
c. Service	-	-	2,25,000	-
d. Prof. Charges	-	-	4,23,400	2,40,000
e. Gratuity	-	14,27,885	-	-
f. Salary Paid	-		13,63,797	5,32,259
Outstandings:				
a. Rent	-	-	-	45,000
b. Maintenance	-	-	-	-
c. Prof. Charges / Remuneration	62,550	75,800	1,56,800	1,01,800

Related Party Information

Relationship

a. Key Management Personnel

1. Mr. Rajeev Sikka
2. Mr. Sanjeev Sikka

b. Relatives of Directors

1. Mrs. Anuradha Sikka
2. Mrs. Anita Sikka
3. Mrs. Krishna Sikka
4. Mr. Kunal Sikka

41. Current Assets, Loans and Advances

In the opinion of the Board, Current Assets, Loans and Advances are stated at the value realized in the ordinary course of business.

42. The company had a lease cum sale agreement with KIADB for purchase of land in Bommasandra. Right to use substantial portion of this land was vested with Sika Interplant Systems Limited, the Holding Company. The Company has given up its right on this land in favour of the holding Company during the year.
43. Balances in loans, advances, deposits given and loans received, Sundry Debtors, Creditors and Unpaid Dividend are subject to confirmation and reconciliation.
44. Previous year's figures have been regrouped / recast / restated, wherever necessary, to make them comparable with those of the current year.

M/s. Shekar & Yathish
Chartered Accountants
FRN 008964S

For and on behalf of the board

Kusuma Yathish
Partner
Membership No.209637

Rajeev Sikka
Chairman & Managing Director

R.N.Chawhan
Director

Dr.C.G.Krishnadas Nair
Director

Dr.J.M.Deb Nath
Director

Bangalore, 30thMay, 2013

STATEMENT PURUANT TO SECTION 212 OF THE COMPANIES ACT 1956

Amount in INR in lakhs

Subsidiary Name	Sikka n Sikka Engineers Ltd		Emsac Engineering LTD		Sika Tourism Ltd	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Holding Company's interest in Equity Capital	6.00	6.00	2.55	2.55	1.00	1.00
(i) Number – equity	100%	100%	51%	51%	100%	99.99%
(ii) Extent of Holding in %						
Capital	6.00	6.00	5.00	5.00	1.00	1.00
Reserves	73.73	71.72	13.67	12.65	-	-
Total Liabilities	82.56	78.91	29.71	20.88	1.11	1.30
Total Assets	82.56	78.91	29.71	20.88	1.11	1.30
Turnover	11.64	5.34	45.77	40.76	-	-
Profit before tax	4.69	(5.02)	1.48	2.80	-	-
Profit after tax	4.52	-	1.02	0.95	-	-

This page is intentionally left blank

This page is intentionally left blank

This page is intentionally left blank

P R O X Y

SIKA INTERPLANT SYSTEMS LTD

I/We.....of.....in the District of
 being a member/members of above named Company hereby appoint
 Mr./Mrs..... of in the District of
 or failing him Mr./Mrs of
in the District of
 as my / our proxy to vote for me / us on my / our behalf at the twenty seventh Annual General Meeting of the
 Company to be held2013.

Signed this..... day of2013

NOTE : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

ATTENDANCE SLIP

Folio No..... D.P.ID client No..... No. of shares held.....

Please complete this attendance slip and hand it over at the entrance of the Hall. I hereby record my presence at the twenty fifth Annual General Meeting of the Company to be held at Hotel Ajantha on2013

Full Name of the Member/ProxySignature

Note : Only Shareholders of the Company or their authorised proxy will be allowed to attend the Meeting.

ELECTRONIC CLEARING SERVICE MANDATE FORM

1. Name of the shareholder..... No. of shares held.....
2. Regd. Folio No./DP Client ID.....
3. **Particulars of bank account of shareholder**
 - a) Bank Nameb) Branch Name.....
 - Address:.....
 - c) 9-Digit code number of the bank and branch appearing on the MICR cheque issued by the bank
 - d) Account Number (as appearing on the cheque book/passbook)
 - e) Account type (Savings / Current / NRE / NRO)

I/We shall not hold the Company responsible if the ECS could not be implemented or the Bank discontinues the ECS, for any reason.

Date :

Place:

Signature of the shareholder

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp

Date : Signature of the Authorised Officer from the bank.

Note:

1. Please complete the form and send it to the Company if you are holding shares certificate(s) in physical form.
2. In case your shares are in dematrilised form, inform/update your information directly with the depository participant (DP) with whom you are maintaining demat account and not to the company.
3. In case of more than one Folio please complete the details on separate sheets.
4. Payments through ECS is subject to the rules and regulations of the Scheme of ECS of the Reserve Bank of India from time to time.

This page is intentionally left blank