



TWENTIETH
Annual Report
2010-11



SHIMOGA TECHNOLOGIES LIMITED



SHIMOGA TECHNOLOGIES LIMITED

BOARD OF DIRECTORS

SURESH SHASTRY	<i>Chairman & Director</i>
G.ANANDA	<i>Director</i>
S.LAKSHMI NARAYANA MURTHY	<i>Director</i>

AUDITORS

Mr. T. Raghavendra Naik, Proprietor,
M/S Raghavendra Naik & Associates,
Chartered Accountants
#5/B, GEF Block, 1st Floor, 1st Main, 1st Cross,
Rajajinagar Industrial Town
Bangalore - 10.

**REGISTRAR
AND TRANSFER AGENTS**

TSR DARASHAW LIMITED
6-10, Haji Moosa Patrawala Industrial Estate,
20 Dr.E.Moses Road, Mahalaxmi,
Mumbai - 400011

REGISTERED OFFICE

135/3A, 11th Cross,
Malleshwaram,
Bangalore-560003

WORKS

PLOT NOs. N 12& 13,
Industrial Estate,
Sagar Road
Shimoga - 577 204
Karnataka

SHIMOGA TECHNOLOGIES LIMITED

NOTICE

Notice is hereby given that the **Twentieth Annual General Meeting of the Members of SHIMOGA TECHNOLOGIES LIMITED** will be held at MEWS Ladies Club No.37, 17th Cross (between 4th and 6th Main) Malleswaram, Bangalore – 560 055 on Thursday, 29th September, 2011 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2011 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. Lakshmi Narayana Murthy who retires by rotation and being eligible, offers himself for re-appointment.
3. The retiring Auditors, Mr. T.Raghavendra Naik, Proprietor, M/s Raghavendra Naik & Associates, Chartered Accountants, Bangalore, have expressed their inability to continue as Statutory Auditors of the Company. In response to Company's letter, M/s Naik & Shah, Chartered Accountants, Bangalore have intimated their willingness, if appointed, to act as auditors of the Company. The Board recommends adoption of the resolution appointing M/s Naik & Shah, Chartered Accountants, Bangalore, as Statutory Auditors of the Company. Members may consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**: -
"RESOLVED THAT M/s Naik & Shah, Chartered Accountants, Bangalore be and are hereby appointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting at remuneration as may be fixed by the Board of Directors."

By the Order of the Board of Directors

Place: Bangalore
Date: 30.08.2011

(SURESH SHASTRY)
Chairman & Director

Regd. Office:
135/3A, 11th Cross,
Malleswaram,
Bangalore – 560 003

NOTES:

1. Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2011 to 29.09.2011(both days inclusive).
2. **A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. In order to be effective, an instrument of appointment of proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the time scheduled for commencement of the meeting.**
3. Members desiring any information as regards accounts are requested to write to the Company so as to reach at least seven days before the date of the meeting so as to enable the management to keep the information ready.
4. Members / Proxies are requested to bring their Copy of the Annual Report along with them to the Meeting since extra copies will not be supplied at the meeting.
5. Members / Proxies should fill the attendance slip for attending the meeting.
6. Members who hold shares in dematerialised form are requested to write their Client ID and DP numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance slip for attending the meeting.
7. As per Companies Act, 1956, a Shareholder may nominate in the prescribed manner a person to whom his shares in the Company shall vest in the event of death (Form 2B of Companies (Central Govt.'s) General rules & forms). In the case of joint holding, joint holders may together nominate a person to whom shares shall vest in the event of death of all the Joint Holders
8. Members are requested to intimate immediately any change in their address to the Registrar and Transfer Agents of the Company. They are also requested to send to the Registrar and Transfer Agent: (1) PAN (2) Bank Account Number (3) E mail id
9. As a step towards green initiative, Ministry of Corporate Affairs approved Listed Companies to send their Annual Report to the members by email, which is given by the members. Hence members are requested to send their valid email id to the Company's Registered Office by post OR mail it to mail@shimogatechnologies.com OR Post/mail to **REGISTRAR AND TRANSFER AGENTS of the Company.**



SHIMOGA TECHNOLOGIES LIMITED

10. The Relevant details of the person seeking reappointment as Director under item No.2 above pursuant to clause 49 of the listing Agreement entered in to with the Stock Exchange is given below.

Name	Mr. S. LAKSHMI NARAYANA MURTHY
Date of Birth	04.06.1932
Date of Appointment	31.07.2009
Educational Qualification	B Com
Work Experience	He is a Businessman with 50 years of Experience
No. of shares held in the paid up capital of the Company.	Nil
Directorships held in other public Companies (Excluding Foreign Companies)	Nil
Memberships/Chairmanships of Committees of other Public Companies	Nil

By the Order of the Board of Directors

Place: Bangalore
Date: 30.08.2011

(SURESH SHASTRY)
Chairman & Director

DIRECTORS' REPORT

Dear Members,

Your Directors present the Twentieth Annual Report together with the Audited Accounts for the year ended 31st March 2011.

1. FINANCIAL RESULTS.

During the year under review Company has achieved the following financial results: (Rs. in Lakhs)

Particulars	31.03.2011	31.03.2010
Gross Sales and other income from operations	45.69	59.87
Profit/(Loss) before Financial Charges, Depreciation Taxation and Prior Period items	32.03	47.66
Less: Financial Charges	6.73	23.82
Profit/(Loss) before Depreciation, Taxation and Prior Period items	25.30	23.84
Less: Depreciation	20.53	21.69
Profit/(Loss) before Taxation and Prior Period items	4.77	2.15
Less: Taxation (Including Deferred Tax)	0.00	0.10
Profit/(Loss) for the year	4.77	2.05
Less: Prior Period items	0.80	0.15
Net Profit/(Loss) for the year	3.96	1.90
Balance of Profit/(Loss) brought forward from last year	(594.67)	(596.57)
Profit/(Loss) Carried forward to Balance sheet	(590.71)	(594.67)

2. OVERVIEW OF COMPANY PERFORMANCE:

During the year under review, the Company has been able to reduce the operating expenses and record a Net profit of Rs.3.96 lakhs as against a net profit of Rs.1.90 lakhs for the previous year ended 31st March 2010. Although the lease rentals are reduced, Company was able to curtail expenses and record increased profits.

3. DIVIDEND:

Considering the financial position of the Company, your Directors do not recommend dividend for the year ending 31st March 2011.

4. AUDITORS

Your Directors recommend the appointment of M/s. Naik & Shah, Chartered Accountants, Bangalore, as Statutory Auditors of the Company.

5. DIRECTORS:

None of the Directors are disqualified as on 31st March 2011 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.

6. REHABILITATION SCHEME.

During the year Board proceeded with Amalgamation process as a first step to give effect to resolution passed in the previous

Annual General Meeting. The financials of both Smiths & Founders (India) Limited (Formerly Bhagavathi Enterprises Limited) and Shimoga Technologies Limited upto 31.12.2010 were prepared and both the Companies' businesses were valued as on that date. Based on these valuations, the Statutory Auditors of the Company recommended share exchange ratio of 5:2, and your Directors accorded approval for allotment of shares in the ratio of 5 equity shares of Shimoga Technologies Limited (face value Re.1 fully paid up) for every 2 equity shares of Smiths & Founders (India) Limited (face value Re1/- fully paid up). Based on the share exchange ratio a Draft Rehabilitation scheme was formulated and circulated to Smiths & Founders (India) Limited for their approval. After obtaining their approval, the Scheme has been presented to IDBI (The Operating Agency appointed by the BIFR), under intimation to the BIFR. Presently the scheme is being reviewed by IDBI.

7. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to provisions contained in section 217(2AA) of the Companies Act, 1956, the Directors of your company confirm:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates



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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 and loss of the company for that period;

- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the annual accounts on a going concern basis.

8. FIXED DEPOSITS:

The Company has not accepted any fixed deposits during the period under scrutiny.

9. CORPORATE GOVERNANCE REPORT:

In accordance with clause 49 of the listing Agreement with the stock exchange, a separate Report on Corporate Governance along with the Auditors certificate on its Compliance is attached to this report.

10. MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to clause 49 of the listing Agreement entered in to with the stock exchange, Management Discussion and Analysis report forms the part of this report.

11. COMPLIANCE CERTIFICATE:

A Compliance certificate from Mr. Vigneshwar Bhat, Practicing Company Secretary, has been obtained regarding Compliance of provisions of Companies Act, 1956 as stipulated in Section 383A of the Companies Act, 1956 and is annexed herewith.

12. RELATED PARTY DISCLOSURES:

As regards related party disclosures, one of the Directors of the Company is related to Directors of Smiths & Founders (India) Limited (Formerly Bhagavathi Enterprises Limited), a closely held public limited company. However, there are no common Directors and no shareholders holding in excess of 2% of the paid up capital of either of the Companies. There are no other materially significant related party transactions made by the

Company with promoters, Directors or management etc. that may have potential conflict with the interest of the Company at large. However, this disclosure is made as a matter of prudence. For details of transactions with of Smiths & Founders (India) Limited during the year 2010-11, please refer point 8 of notes to accounts.

13. AUDITORS QUALIFICATIONS:

Regarding Auditors qualifications in Annexure to Auditors Report. Point no. IX (a), (b) related to deposit of undisputed statutory dues with various authorities. The Directors state as follows:

- a. The Company has paid the statutory dues, however due to financial constraints, at times, the company has delayed payments.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

Annexure A to this report gives the information in respect of conservation of Energy, Technology absorption and Foreign Exchange earning and outgo, required under, Sec 217 (l) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Director's) Rules, 1988 and form part of the Directors' Report.

15. PARTICULARS OF EMPLOYEES:

The Company has no employees, therefore the statement relating to Particulars of Employees forming part of this report pursuant to section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time is not applicable to the Company.

16. APPRECIATION AND ACKNOWLEDGEMENTS:

Your Directors thank the Members, Government Authorities, Customers and Vendors for their unstinted support to the Company.

By the Order of the Board of Directors

Place: Bangalore
Date: 30.08.2011

(SURESH SHASTRY)
Chairman & Director

ANNEXURE TO THE DIRECTORS' REPORT

FORM NO. A

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY,
TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

	Year Ended 31.03.2011	Year Ended 31.03.2010
A) POWER & FUEL CONSUMPTION		
1. Electricity		
a. Purchased Units	---	---
Total Amount (Rs.)	---	---
Rate/Units (Rs.)	---	---
b. Own Generation		
i. Through Diesel Oil		
Units per litre of Diesel	---	---
Oil Cost/Unit (Rs.)	---	---
ii. Through Steam Turbine		
Generator Units	---	---
Units per litre of Fuel/Oil/Gas Cost/Unit	---	---
2. Coal (specify Quality & where used)		
Total Cost	---	---
Average Rate	---	---
3. Furnace Oil		
Quantity (MT) (Rs.)	---	---
Total Amount (Rs.)	---	---
Average Rate	---	---
4. Others/internal generation (Please give details)		
Quantity	---	---
Total Cost	---	---
Rate/Unit	---	---

B. CONSUMPTION PER UNIT OF PRODUCTION

	Standard If any	Year Ended 31.03.2011	Year Ended 31.03.2010
Products (with Details-Unit Electricity)	---	---	---
Coal (Specify Quality)	---	---	---
Furnace Oil	---	---	---

TECHNOLOGY ABSORPTION

No items to disclose under this head

FOREIGN EXCHANGE EARNING AND OUTGO

No Foreign Exchange Earnings or outgo during the year under review.

By the Order of the Board of Directors

Place: Bangalore
Date: 30.08.2011

(SURESH SHASTRY)
Chairman & Director



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MANAGEMENT DISCUSSION AND ANALYSIS

Forward-looking Statements:

The report contains certain forward-looking statements, which are based on certain assumptions and expectations of future events. The Company does not guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

Opportunities and Threats:

The growth of the auto industry is a positive sign; the present economic scenario provides more opportunities for the Company to expand its business. The accumulated loss of the Company is a constraint for growth of business. Proposed reduction of the existing share capital and amalgamation with Smiths & Founders (India) Limited (Formerly Bhagavathi Enterprises Limited), which is a healthy Company, provides an opportunity for the growth of the organisation.

The major perceivable threats are Liquidity, Interest rates, Increasing price of the raw materials, Political instability and Economic scenario.

Industrial Structure and Developments:

The Company's main source of income is from operating lease of Manufacturing Facilities. Company implemented necessary steps to reduce the operating and administrative expenses, to curtail the costs.

Outlook:

A Draft Rehabilitation Scheme has been submitted before The Board for Industrial & Financial Reconstruction for approval. Subject to approval of the BIFR and successful implementation of the scheme, Company expects improved working results and increase in the market value of shares.

Internal Control Systems and their adequacy:

Your Company has in place an Internal Control System commensurate with the size of the Company.

Human Resource Development:

Other than the Directors, there are no employees in the company as they have resigned from the Company with effect from 01.04.2009.

Discussion on Financial performance with respect to operational performance:

During the year under review, the income for the Company is only from operating lease of Manufacturing Facilities. There is a considerable decrease in Financial Charges, personnel cost, Administrative and other expenses during the year ending under scrutiny.

Risks and Concerns:

The Company's operations depend on the fluctuation in prices and its operational expenses. The state of the economy, therefore, influences the income and profitability.

ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance:

Your Company considers good corporate Governance as a pre-requisite for meeting the needs and aspiration of its shareholders and other stakeholders in the Company and firmly believes that the same could be achieved by maintaining transparency in its dealings and practices, clear accountability, integrity and strict regulatory Compliance.

2. Board of Directors:

The Board of Directors consists of Three Directors. Composition of the Board is as follows:

Category	Name of the Director
Chairman & Director	Sri. Suresh Shastry
Independent Director	Sri. S Lakshmi Narayana Murthy
Independent Director	Sri. G. Ananda

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Attendance of each Director at the Board Meetings, last Annual General Meeting and number of Board Committees of which he/she is a Chairman and Number of Board Meetings held is given below:

Name of the Director	Attendance Particulars			No. of other Directorships and Committee Member / Chairmanship		
	Board Meetings held & present during Directors tenure		Last AGM	Other Directorships@	Committee Memberships	Committee Chairmanships
	Held	Present				
Sri. Suresh Shastry DIN 01099554	11	11	Present	Nil	2	NIL
Sri. S. Lakshmi Narayana Murthy DIN 02264489	11	11	Present	Nil	2	1
Sri. G.Ananda DIN 02725892	11	11	Present	Nil	2	1

@ Including Directorship in Private Limited Companies and excludes any Company registered under Section 25 of the Companies Act, 1956

Number of Board Meetings held and the dates on which held :

11 Board Meeting were held during the period -

The dates on which the meetings were held were 31st May 2010, 10th June 2010, 14th July 2010, 30th July 2010, 9th August 2010, 27th August 2010, 30th September 2010, 29th October 2010, 29th January 2011, 28th February 2011, 9th March 2011.

The maximum gap between two Board Meetings was not more than three months.

3. AUDIT COMMITTEE :

The terms of reference of the Audit Committee cover all areas prescribed by Clause 49 of the Listing Agreement and include the following:

The Audit Committee of your Company has three Directors namely, Sri. Suresh Shastry and Sri. S. Lakshmi Narayana Murthy under the Chairmanship of Sri. G. Ananda, who is a Bsc.,A.M.I.E, PGDM from IIM and carries wide experience of working at different levels in various Companies. The Audit Committee has been granted powers as prescribed under clause 49 ii (C) of the Listing Agreement.

The Audit Committee met four times during the year-ended 31.03.2011 on the following dates:

31st May 2010, 30th July 2010, 29th October 2010, 29th January 2011

Audit Committee meetings and attendance during the year.

Name	No. of Meetings held during his tenure	No. of Meetings Attended
Sri.Suresh Shastry	4	4
Sri. S.Lakshmi Narayana Murthy	4	4
Sri. G. Ananda	4	4



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The terms of reference of the Audit Committee include the following:

1. Overseeing the Company's financial reporting process including Internal Audit arrangements and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
3. Reviewing with the Management the Annual Financial Statements before submission to the Board.
4. Reviewing any activity under its reference.

4. REMUNERATION OF DIRECTORS:

The Remuneration to Directors consists only of sitting fees paid. The total sitting fee paid during the year is Rs.33,000/-. The Managerial Remuneration under section 198 of the Companies Act, 1956 is as follows

Particulars	Year 31.3.2011	Year 31.3.2010
	Rs.	Rs.
Remuneration	Nil	Nil
Contribution to Provident Fund	Nil	Nil
Contribution to Superannuation	Nil	Nil
House Rent Allowance	Nil	Nil
Perquisites:		
Leave Travel Allowance	Nil	Nil
Others	Nil	Nil
Sitting fees paid to Non Executive Directors	33,000	11,000

5. SHARE TRANSFER-CUM -INVESTOR GRIEVANCE COMMITTEE:

The company has constituted a Share Transfer-cum-Investor Grievances Committee, comprising of Sri. Suresh Shastry, Sri. G.Ananda and Sri S. Lakshmi Narayan Murthy. This Committee monitors and redresses investors complaints, transfer of shares, transmission etc.

Total Number of Complaints Received and Disposed of for the year ended 31.03.2011	Number of cases unresolved at the end of Year 31.03.2011	Pending Request for Demat Account for the year ended 31.03.2011
1	NIL	NIL

Shares and Convertible Instruments held by non-executive Directors.

Name	No. of Shares/ Convertible Instruments held
Sri. Suresh Shastry	6320 (equity shares)

6. REMUNERATION COMMITTEE.

As there is no whole time Managerial person in the Company, constitution of remuneration committee does not arise.

7. CEO CERTIFICATION

The Chairman has certified Compliance of Clause 49 V of the Listing Agreement.

8. ANNUAL GENERAL MEETINGS :

Location and time for the last three Annual General Meetings were:

Year	AGM	Location	Date & Time	Special Resolution passed
2007-08	AGM	Century Club, No.1, Seshadri Road, (Cubbon Park) Bangalore - 560 001	18-09-2008 at 10.00 a.m.	Nil
2008-09	AGM	Seva Sadan Association, 14th Cross Malleshwaram, Bangalore-560003	25-09-2009 at 10.00 a.m	Nil

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Year	AGM	Location	Date & Time	Special Resolution passed
2009-10	AGM	Seva Sadan Association, 14th Cross Malleshwaram, Bangalore-560003	30.09.2010 at 10.00 a.m	<p>1. Reduction of 90% of paid up equity capital from Rs.4,32,00,000/- divided in to 4,32,00,000 shares of Re.1/- each into Rs.43,20,000/- divided into 43,20,000 shares of Re.1/- each and such reduction is effected by cancelling Rs.3,88,80,000/- divided in to 3,88,80,000/- equity shares of Re.1/- each.</p> <p>2. Amalgamation with Bhagavathi Enterprises Limited.</p> <p>3. Increase of Authorised share capital from Rs. 4,50,00,000/- divided in to 4,50,00,000 equity shares of Re 1/- each to Rs.6,00,00,000/- divided in to 6,00,00,000 equity shares of Re 1/- each.</p>

No special resolutions were passed through Postal Ballot during last year.

9. a. **Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the company at large:**
None of the transactions with any of the related parties were in conflict with the interest of the company.
- b. **Details of non-compliance by the company, penalties, strictures, imposed on the company by Stock Exchange or SEBI or any statutory Authority, on any matter related to capital matters, during the last three years.**
No penalty was imposed by any of the said authorities on the company during the last three years.
- c. **Whistle Blower Policy**
During the year, under Whistle Blower Policy no complaints were reported to audit Committee.
The Company has complied with all the Mandatory requirements and most of the non-mandatory requirements as specified in the Revised Clause 49 of the Listing Agreement.

10. MEANS OF COMMUNICATION:

The Quarterly, Half yearly and Annual Financial results of the company are sent to the Stock Exchanges immediately after the Board approves them. These are also published in the newspapers as required by the Listing Agreements. The Financial Results were published in the following news papers:

For the Quarter ended 30.06.2010	For the Quarter ended 30.09.2010	For the Quarter ended 31.12.2010	For the year ended 31.03.2011
1.Samyuktha Karnataka 2.Business Line	1.Sanjevani 2.The Financial Express	1.Sanjevani 2.The Financial Express	1.Sanjevani 2.Financial Express

The Management Discussion and analysis is a part of Annual Report.

11. GENERAL SHAREHOLDER INFORMATION:

11.1. AGM :

Date and Time : 29th September 2011 at 10.00 A.M
Venue : MEWS Ladies Club No.37, 17th Cross (between 4th and 6th Main) Malleshwaram, Bangalore – 560 055.

11.2. Financial Calendar:

Results for the Quarter ended 30th June 2011- 15th August 2011
Results for the Quarter ending 30th September 2011 - 15th November 2011
Results for the Quarter ending 31st December 2011 - 15th February 2012
Results for the Quarter ending 31st March 2012 - Last week of May 2012

**SHIMOGA TECHNOLOGIES LIMITED**

11.3. **Book Closure Date :** Book Closure Date: 24.09.2011 to 29.09.2011 (Both days inclusive)

11.4. **Dividend Payment Date :** N.A.

11.5. **Listing of Equity Shares**

On Stock Exchanges at : Mumbai

11.6. (a) **Stock Code:** Bombay Stock Exchange - 513418

(b) **Demat ISIN Numbers in NSDL & CDSL for Equity Shares:**

CDSL : INE728B01024

NSDL : INE728B01024

11.7. **Stock Market Data :**

MONTH	SHARE PRICE MOVEMENT 2010-11	
	SHARE PRICE at BSE (Rs.)	
	HIGH	LOW
Apr-10	0.47	0.39
May-10	0.49	0.38
Jun-10	0.47	0.37
Jul-10	0.65	0.38
Aug-10	0.66	0.41
Sep-10	0.60	0.41
Oct-10	0.66	0.41
Nov-10	0.62	0.38
Dec-10	0.75	0.45
Jan-11	0.52	0.37
Feb-11	0.43	0.38
Mar-11	0.39	0.28

11.8. **Share Price Performance in Comparison to Broad Based indices - BSE sensx**

**SHARE PRICE MOVEMENTS
2010-11**

Month/Year	BSE Sensex index		SHARE PRICE at BSE (Rs.)	
	HIGH	LOW	HIGH	LOW
April-10	18047.86	17276.8	0.47	0.39
May-10	17536.66	15960.15	0.49	0.38
June -10	17919.62	16318.39	0.47	0.37
July-10	18237.56	17395.58	0.65	0.38
August -10	18475.27	17819.99	0.66	0.41
September -10	20267.98	18027.12	0.60	0.41
October-10	20854.55	19768.96	0.66	0.41
November-10	21108.64	18954.82	0.62	0.38
December-10	20552.03	19074.57	0.75	0.45
January -11	20664.8	18038.48	0.52	0.37
February-11	18690.97	17295.62	0.43	0.38
March-11	19575.16	17792.17	0.39	0.28

11.9 Registrar and Transfer Agents :

TSR DARASHAW LIMITED

6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai – 400 011

Tel : 022 6656 84 84

Fax : 022 6656 84 94

E-mail : csg-unit@tsrdarashaw.com

Website : www.tsrdarashaw.com

**Business Hours : 10:00 a.m. to 3:30 p.m.
(Monday to Friday)**

For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches of TSR Darashaw Limited :

TSR DARASHAW LIMITED

503, Barton Centre, 5th Floor
84, Mahatma Gandhi Road,
Bangalore – 560 001

Tel : 080 25320321

Fax : 080 25580019

E-mail: tsrdibang@tsrdarashaw.com

TSR DARASHAW LIMITED

Tata Centre, 1st Floor
43, Jawaharlal Nehru Road
Kolkata - 700 071

Tel : 033 22883087

Fax : 033 22883062

Email : tsrdlcal@tsrdarashaw.com

TSR DARASHAW LIMITED

Plot No. 2/42, Sant Vihar
Ansari Road, Daryaganj
New Delhi – 110 002

Tel : 011 23271805

Fax : 011 23271802

E-mail: tsrdldel@tsrdarashaw.com

TSR DARASHAW LIMITED

Bungalow No. 1, 'E' Road
Northern Town, Bistupur
Jamshedpur - 831 001

Tel : 0657 2426616

Fax : 0657 2426937

Email : tsrdljsr@tsrdarashaw.com

11.10. Share Transfer System: The Share transfer system as of now is processed by the Registrar and Transfer agents under the overall supervision of the Share Transfer Committee. Normally it will take 30 days time from the date of lodgement for the process of Share Transfer, if the documents are complete in all respects. In respect of Shares held in dematerialised mode, the transfer takes place instantly between the transferor and transferee and the Depository Participant through electronic credit/ debit of the accounts involved.

11.11. Category of Shareholding as on 31st March 2011 :

Promoter and Promoter group Holding:	0.91%
Foreign Holding:	0.14%
Other Bodies- Corporate:	7.03%
Individuals:	91.78%
Banks:	0.14%

Distribution schedule of the Shimoga Technologies Limited as on 30.06.2011.

No of shares held	Total accounts	Total shares	Total % to paid up capital
Up to 500	1478	4,16,195	0.96%
501-1000	7060	70,23,432	16.26%
1001-2000	1820	34,63,627	8.02%
2001-3000	732	20,85,786	4.83%
3001-4000	237	9,12,535	2.11%
4001-5000	656	32,53,324	7.53%
5001-10000	635	53,19,691	12.31%
10001-999999999	493	207,25,410	47.98%
TOTAL	13111	4,32,00,000	100%

11.12. Dematerialization of Shares:

75.90% of the Shares of the company are in dematerialised form up to 31st March 2011.



SHIMOGA TECHNOLOGIES LIMITED

- 11.13. Outstanding GDR / Warrants and convertible bonds, conversion : N.A.
11.14. Plant Locations : Shimoga Technologies Limited,
(Leased out w.e.f. 1.4.2009) Plot Nos. N-12 & N-13, Industrial Estate, Sagar Road, Shimoga - 577 204.
11.15. Investor Correspondence:
a. For shares in physical form : To Registrar and Transfer Agents
b. For Shares in Demat Form : To the Depository Participant

Declaration:

(As required under Clause 49 of the Listing Agreement code of conduct)

I, Suresh Shastry, Chairman & Director of SHIMOGA TECHNOLOGIES LIMITED, to the best of my knowledge & belief, hereby declare that all the Board Members, have affirmed compliance with the Company code of conduct for the year ended March 31, 2011.

Place: Bangalore
Date : 30.08.2011

SURESH SHASTRY
Chairman & Director

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Members of SHIMOGA TECHNOLOGIES LIMITED
I have examined the compliance of conditions of Corporate Governance by Shimoga Technologies Limited for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to a review of the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
In my opinion and to the best of my information and according to the explanations given to me, and based on the representations made by the Directors and the Management,

the company has complied with in all material respects the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Raghavendra Naik & Associates
Chartered Accountants
Firm Reg. Number : FRN010270S

Place : Bangalore T. RAGHAVENDRA NAIK
Date : 30.08.2011 Proprietor
Membership Number : 210228

SECRETARIAL COMPLIANCE CERTIFICATE

CIN of the Company: L85110KA1990PLC011303
Authorised Capital: Rs.5,00,00,000/-
To

The Members,

SHIMOGA TECHNOLOGIES LIMITED

13S/3A, 11th Cross, Malleshwaram, Bangalore - 003.

I have examined the Registers, Records, Books and Papers of SHIMOGA TECHNOLOGIES LIMITED as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in 'Annexure - A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in 'Annexure - B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made there under.

3. The Company has minimum paid up capital as prescribed under Sec.3 (1) (v)(e) of the Act. The Company being a public Company, comments relating to the provisions of Sec.3 (1)(ii) of the Act are not required.
4. The Board of Directors met 11 times respectively on 31.05.2010, 10.06.2010, 14.07.2010, 30.07.2010, 09.08.2010, 27.08.2010, 30.09.2010, 29.10.2010, 29.01.2011, 28.02.2011 and 08.03.2011 in respect of which meetings notices were given and proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 24.09.2010 to 30.09.2010 during the year under scrutiny.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 30.09.2010 after giving due notice to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meetings were held during the year under scrutiny.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act during the year under Scrutiny.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the year under scrutiny.

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10. The Company has made necessary entries in the Register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act during the year under scrutiny, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the year under scrutiny.
13. The Company has:
 - (i) Not required to deliver the certificates as there was no allotment / transmission of securities during the year under scrutiny; but delivered the certificates on transfer of shares during the year under scrutiny.
 - (ii) not declared any dividend during the year under scrutiny.
 - (iii) not required to post warrants to any member of the Company as no dividend was declared during the year under scrutiny.
 - (iv) not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven year to Investor Education and Protection Fund as there were no such amounts outstanding during the financial year under review.
 - (v) generally complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the year under scrutiny.
15. The Company has not appointed any Managing Director/ Whole-time director/ Manager during the year under scrutiny.
16. The Company has not appointed any sole selling agents during the year under scrutiny.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the year under scrutiny.
18. The Directors have disclosed their interest in other firms/ Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not allotted any shares during the year under scrutiny.
20. The Company has not bought back any shares during the year under scrutiny.
21. As there were no preference shares or debentures issued, there was no redemption of preference shares or debentures during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted deposits falling within the purview of Section 58A of the Act during the year under scrutiny.
24. The Company has not made any borrowings during the financial year ended 31st March 2011.

25. The Company has not made any loans and investments and given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to Increase of Authorised Share Capital from Rs.4,50,00,000/- to Rs.6,00,00,000/- of the Company during the year under scrutiny.
30. The Company has altered its Articles of Association with respect to increase of authorized capital from Rs.4,50,00,000/- to Rs.6,00,00,000/- during the year under scrutiny.
31. As per the information and explanations given by the Company, there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year under scrutiny, for offences under the Act.
32. As per the information and explanations given by the Company, the Company has not received any money as security from its employees during the year under scrutiny.
33. The Company does not have any Provident Fund scheme pursuant to Section 418 of the Act.

Place: Bangalore
Date: 25.08.2011

VIGNESHWAR BHAT
Company Secretary in Practice
C.P.No.10012

NAME OF THE COMPANY : SHIMOGA TECHNOLOGIES LIMITED

ANNEXURE - A

Registers as maintained by the Company

Sl.No	Name of the Register
1	Register of Charges U/s. 143(1)
2	Register of Members U/s. 150(1)
3	Register of Companies and firms in which the directors of the company are interested U/s. 301(1)
4	Register of Directors U/s. 305(1)
5	Register of Directors Shareholding U/s. 307(1)
6	Register of Directors Attendance
7	Register of Transfers
8	Books of Accounts U/s 209
9	Minutes of Board Meetings
10	Minutes of General Meetings

ANNEXURE - B

Returns / Forms / Documents filed with Registrar of Companies, Regional Director, Central Govt. or other authorities during the financial year ended on 31st March 2011

Sl. No.	e-Form No.	Relevant Section	Description of the Document	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing, whether requisite additional fee paid Yes/No
1.	66	383A	Secretarial Compliance Certificate for the year end 31.03.2010	18.10.2010	Yes	NA
2.	23AC & ACA	220	Balance Sheet as on 31.03.2010 and the Profit and Loss Account for the year ended as on that date. (AGM held on 30.09.2010)	26.10.2010	Yes	NA
3.	23	192	Filing of Special Resolutions passed in the AGM dated 30.09.2010	27.10.2010	Yes	NA
4.	5	94	Increase of Authorised Capital	28.10.2010	Yes	NA
5.	20B	159	Annual Return as on AGM held on 30.09.2010	29.11.2010	Yes	NA
II - REGIONAL DIRECTOR			NIL			
III - CENTRAL GOVERNMENT AND OTHER AUTHORITIES			NIL			

Place: Bangalore
Date: 25.08.2011

VIGNESHWAR BHAT
Company Secretary in Practice
C.P.No.10012



AUDITORS' REPORT

TO

THE MEMBERS OF SHIMOGA TECHNOLOGIES LIMITED

1. We have audited the attached Balance Sheet of Shimoga Technologies Limited as at 31 March 2011 and the Profit and Loss Account and Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditors Report) (Amendment) Order, 2004, (together the order) issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. We report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) 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;
 - iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - iv) In our opinion the Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent it is applicable.
- v) On the basis of written representations received from the directors, as on 31 March 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) Attention is invited to :
 - a.) Note No.8 of schedule 5 regarding preparation of accounts on a going concern basis although the networth of the company has substantially eroded and note regarding 19 of schedule 5 leasing of the land, building and plant and machinery to Smiths & Founders (India) Ltd (formerly known as Bhagavathi Enterprises Ltd). Accordingly, the accounts do not include adjustments aforesaid in case the management's business plans do not materialise.
 - b.) Note No.16 of Schedule 5 regarding the company is a sick industrial company within the meaning of clause (c) of sub section (1) of section 3 of the Sick Industrial Companies Act 1985, and the company has filed a draft rehabilitation scheme with the Board of Industrial and Financial Reconstruction ('BIFR') under the provisions of the Act the matter is pending before the BIFR.
- vii) Subject to the matters referred to above, in our opinion and to the best of information and according to the explanations given to us, the said accounts read with the notes thereon gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31 March 2011;
 - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date;
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date;

For **Raghavendra Naik & Associates**
Chartered Accountants
Firm Reg. Number : FRN010270S

Place : Bangalore
Date : 30.05.2011

T. RAGHAVENDRA NAIK
Proprietor
Membership Number : 210228

Annexure to the Auditors' Report

Referred to in paragraph 3 of my 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 fixed assets have been verified by the management during the year and according to the information and explanation given to us, there is a regular programme of verification which in our opinion needs improvement and further strengthening, considering the size of the company and nature of assets. The discrepancies noticed on physical verification have been properly dealt with in the books of accounts;
- (c) During the year, the company has not disposed off substantial/ major part of fixed assets. The company has leased its factory building and plant and machinery in order to curtail future losses. The assumption of going concern has been followed in view of the reasons set forth in note no.8 of notes to accounts.
- ii) The company did not have inventories at any time during the year. Consequently, the requirements regarding physical verification of inventories, maintenance of records of inventory and discrepancies between physical stocks and book records are not applicable to the company for the year.
- iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, during the period. As the Company has not granted any loans, secured or unsecured, to parties listed in the register maintained under Section 301 of the Companies Act, 1956, clauses iii(b), iii(c), and iii(d) of the paragraph 4 of the Order, are not applicable;
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, during the period. As the Company has not taken any loans, secured or unsecured, from parties listed in the register maintained under Section 301 of the Companies Act, 1956, clauses iii(f) and iii(g) of the paragraph 4 of the Order, are not applicable;
- iv) In our opinion and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and the nature of its business with regards to the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit no major weakness has been noticed in respect of these areas;
- v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that all transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered;
- vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Rules framed thereunder;
- vii) The company has an internal audit system, which in our opinion needs to be improved;
- viii) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956;
- ix) (a) *According to the records of the Company and information and explanations given to us, the Company has not been regular in depositing undisputed statutory dues including tax deducted at source, excise duty, sales tax/value added tax, entry tax and professional tax and other statutory dues with the appropriate authorities during the period;*
- (b) *According to the information and explanation given to us, and on the basis of our examination of the books of account, the following undisputed dues in respect of income tax, wealth tax, sales tax, customs duty and excise duty outstanding, as at the last day of the financial period, for a period of more than six months since they became payable;*

**SHIMOGA TECHNOLOGIES LIMITED**

Name of the Statute	Nature of Dues	Amount (Rs.)	Due Date	Date of Payment
income-tax Act	Tax Deducted at source/ Tax collected at source including interest.	2,11,397	On monthly basis, on 7th of the following month	Not paid
The Central Excise Act	Excise duty, Education cess and Higher education cess	13,271	On monthly basis, on 5th of the following month	Not paid
Karnataka Sales Tax Act, Value added Tax Act	VAT Payable including interest	30,729	On monthly basis, on 20th of the following month.	Not paid
The Karnataka Tax On Entry Of Goods Act	Entry Tax including interest	5,47,540	On monthly basis, on 20th of the following month.	Not paid
Service Tax	Service Tax payable including interest	2,87,065	On monthly basis, on 5th of the following month	Not paid
The Employees State Insurance Act	ESI Payable including interest	8,310	On monthly basis, on 21st of the following month	Not paid
Karnataka Tax on Trades, Professionals and Callings Act, Karnataka Professional Tax Act, 1976	Professional Tax Payable including interest	3,42,337	On monthly basis, on 20th of the following month.	Not paid

(c) As at 31 March 2011, according to the records of the company, no dues outstanding as Sales Tax, Investor Education and Protection Fund, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess on account of any dispute.

- x) In our opinion, the accumulated losses of the company at the end of the financial year is greater than fifty percent of its networth as at the last day of the financial period and has incurred cash loss during the financial period ended on that date;
- xi) according to the information and explanation given to us and based on our audit procedures, we are of the opinion that the Company, has not defaulted in repayment of its dues to any financial institution, bank or to debenture holder during the period;
- xii) the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiii) in our opinion, the Company is not a chit fund or a *nidhi*/ mutual benefit fund/ society. Therefore, clause (xiii) of the Order is not applicable to the Company;
- xiv) in our opinion and according to information and explanations given to us, the Company is not a dealer or trader in securities;
- xv) according to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions;
- xvi) according to the information and explanations given to us, no term loans has been borrowed by the company;

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- xvii) based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long-term investment;
- xviii) the Company has not made any preferential allotment of shares to parties and the companies covered in the Register maintained under Section 301 of the Companies Act, 1956;
- xix) the Company has not issued any debentures during the period;
- xx) the Company has not raised any money by public issue during the period , accordingly clause 4(xx) of the order is not applicable;
- xxi) During the course of examination of the books and records of the company, carried out in accordance with the generally accepted accounting practices in india and according to the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported for the period;

For Raghavendra Naik & Associates
Chartered Accountants

Firm Reg. Number : FRN010270S

T. RAGHAVENDRA NAIK
Proprietor

Membership Number : 210228

Place : Bangalore
Date : 30.05.2011

**SHIMOGA TECHNOLOGIES LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2011**

Particulars	Schedule No	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SOURCES OF FUNDS			
1. Shareholders' Funds			
Capital	1	4,32,00,000	4,32,00,000
- TOTAL		4,32,00,000	4,32,00,000
APPLICATION OF FUNDS			
1. Fixed Assets			
(a) Gross Block	2	5,66,26,366	5,64,23,022
(b) Less: Depreciation to date		4,08,16,800	3,87,63,688
(c) Net Block (a-b)		1,58,09,566	1,76,59,334
(d) Capital work-in-progress (At cost)		-	-
		1,58,09,566	1,76,59,334
2. Deferred Tax Assets (Net)			
		-	-
3. Current Assets, Loans and Advances			
(a) Sundry Debtors	3	-	1,35,348
(b) Cash and Bank Balances		54,884	1,32,404
(c) Loans and Advances		19,67,044	19,61,867
		20,21,928	22,29,619
Less:			
3a. Current Liabilities and Provisions			
(a) Liabilities	4	3,37,02,624	3,55,49,578
(b) Provisions		-	6,06,524
		3,37,02,624	3,61,56,102
Net Current Assets (3-3a)		(3,16,80,696)	(3,39,26,483)
4. Profit and Loss Account - Loss			
TOTAL		4,32,00,000	4,32,00,000
Notes on Accounts	5		

The schedules referred to above form part of the Balance Sheet

As Per My Report of even date

For Raghavendra Naik & Associates

Chartered Accountants

Firm Registration No. : FRN 010270S

T.RAGHAVENDRA NAIK

Proprietor

Membership Number : 210228

Place : Bangalore

Date : 30.05.2011

For and on behalf of the Board of Directors

G. ANANDA
Director**SURESH SHASTRY**
Chairman & Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Schedule No.	Year Ended 31-03-2011 (Rupees)	Year Ended 31-03-2010 (Rupees)
INCOME			
Other Income	6	45,68,992	59,87,411
TOTAL		45,68,992	59,87,411
EXPENDITURE			
Excise Duty & Taxes		91,125	2,62,500
Manufacturing Expenses	7	9,974	21,598
Administrative & Other Expenses	8	12,64,594	9,26,096
Financial Charges	9	6,73,716	23,82,560
Bad Debts and Advances written off		-	10,000
Depreciation		20,53,112	21,69,183
TOTAL		40,92,521	57,71,937
PROFIT / (LOSS) BEFORE TAX & PRIOR PERIOD ITEMS		4,76,471	2,15,474
Less: Fringe Benefit Tax earlier period		-	10,047
Less: Deferred Tax Expense/ (Income)		-	-
Profit/(Loss) for the Year		4,76,471	2,05,427
Prior Period Adjustments (net)		80,453	15,494
		3,96,018	1,89,933
BALANCE BROUGHT FORWARD FROM LAST YEAR		(5,94,67,149)	(5,96,67,082)
Accumulated Loss		(5,90,71,130)	(5,94,67,149)
BALANCE CARRIED TO BALANCE SHEET		(5,90,71,130)	(5,94,67,149)
Basic & Diluted EPS		0.01	0.00
Weighted average number of shares		4,32,00,000	4,32,00,000
Notes on Accounts	5		

The Schedules referred to above form part of the Profit and Loss Account

As Per My Report of even date

For Raghavendra Naik & Associates

Chartered Accountants

Firm Registration No. : FRN 010270S

T.RAGHAVENDRA NAIK

Proprietor

Membership Number : 210228

Place : Bangalore

Date : 30.05.2011

For and on behalf of the Board of Directors

G. ANANDA
Director

SURESH SHASTRY
Chairman & Director



SHIMOGA TECHNOLOGIES LIMITED

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	Schedule No.	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SHARE CAPITAL AUTHORISED 60,000,000/- Equity Shares of Re 1/- each (Previous Year 45,000,000 Equity Shares of Re.1/- each)	1	6,00,00,000	4,50,00,000
ISSUED AND SUBSCRIBED AND FULLY PAID UP 43,200,000/- Equity Shares of Re 1/- each fully paid up. (Previous Year 43,200,000/- Equity Shares of Re.1/- each fully paid up.)		4,32,00,000	4,32,00,000

2. FIXED ASSETS AND DEPRECIATION

Amount in Rupees

Sl.	Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01-04-2010	Additions	Sale	As at 31-03-2011	As at 1-04-2010	Additions	Cumulative Dep on asset sold	As at 31-03-2011	As at 31-03-2010
1	Land	20,24,158	-	-	20,24,158	-	-	-	20,24,158	20,24,158
2	Building	70,38,907	2,03,345	-	72,42,252	32,26,133	2,38,827	-	34,64,960	37,77,292
3	Plant And Machinery	3,22,97,236	-	-	3,22,97,236	2,14,88,270	16,34,564	-	2,31,02,834	91,94,402
4	Office Equipments	3,61,154	-	-	3,61,154	1,60,523	14,950	-	1,75,473	1,85,680
5	Furniture And Fixtures	2,29,059	-	-	2,29,059	1,78,881	9,675	-	1,88,566	40,503
6	Computer	2,99,344	-	-	2,99,344	1,92,837	35,128	-	2,27,965	71,379
7	Dies And Tools	1,27,98,086	-	-	1,27,98,086	1,26,49,945	61,661	-	1,27,11,606	86,480
8	Electrical Installation	8,38,756	-	-	8,38,756	4,36,692	41,038	-	4,77,730	3,61,026
9	Hand Tools And Equipments	2,62,941	-	-	2,62,941	2,12,277	8,319	-	2,20,596	42,345
10	Other Tools	2,26,237	-	-	2,26,237	2,16,343	1,746	-	2,16,089	8,148
11	Software	47,144	-	-	47,144	21,787	7,204	-	28,991	18,153
	Total	5,64,23,022	2,03,345	-	5,66,26,366	3,67,63,688	20,53,112	-	4,08,16,800	1,58,09,567
	Previous year	5,89,91,064	-	25,68,062	5,64,23,022	3,70,75,843	21,69,185	4,79,338	3,87,53,688	1,76,59,334

PARTICULARS	Schedule No.	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
CURRENT ASSETS, LOANS AND ADVANCES:	3		
A. SUNDRY DEBTORS (unsecured)			
(i) Considered Good			
- Outstanding for a period exceeding six months		-	-
- Other debts		-	1,35,348
TOTAL		-	1,35,348

SCHEDULES TO THE BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	Schedule No.	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
B. CASH AND BANK BALANCES			
Cash on hand		22,402	1,748
With Scheduled Banks:			
- In Current Accounts		32,482	1,30,656
TOTAL		54,884	1,32,404
C. LOANS AND ADVANCES			
(Unsecured, Considered good unless otherwise stated)			
Advances/claims recoverable in cash or in kind or for value to be received.		61,538	1,38,264
Advance Income Tax & Tax Deducted at Source		5,10,703	4,28,800
Advances with customers		26,704	26,704
Deposits with Government Authorities		13,68,099	13,68,099
TOTAL		19,67,044	19,61,867
CURRENT LIABILITIES AND PROVISIONS	4		
A. CURRENT LIABILITIES			
Creditors for goods		-	27,312
Creditors for expenses		2,05,007	47,12,695
Lease rental deposit		3,18,78,345	2,40,80,000
Advance received from customers		1,43,465	-
Statutory liability		14,75,807	67,29,571
TOTAL		3,37,02,624	3,55,49,578
B. PROVISIONS			
Provision for Gratuity		-	1,83,186
Provision for Leave Salary		-	4,23,338
TOTAL		-	6,06,524

Notes on Accounts

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SHIMOGA TECHNOLOGIES LIMITED

SCHEDULES TO THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	Schedule No.	Year Ended 31st March 2011		Year Ended 31st March 2010	
		Rupees	Rupees	Rupees	Rupees
OTHER INCOME	6				
Income from leasing activities [TDS Rs. 68,132/- (previous year Rs.3,79,350/-)]		6,75,000		21,00,000	
VAT on Lease Rentals		91,125	7,86,125	2,62,500	23,62,500
Interest received [TDS Rs.6,692/- (previous year Rs.Nil/-)]			75,353		58,726
Sundry creditors/ Excess provision written back			2,52,653		26,54,909
Interest waived on sales tax dues			34,74,861		-
Profit on Sale of Fixed Assets			-		9,11,276
TOTAL			45,68,992		59,87,411
MANUFACTURING EXPENSES	7				
Personnel Cost:					
Production incentive & Bonus		-	-	1,468	-
Staff Welfare		-	-	10,700	-
Leave Salaries		-	-	2,430	-
Other Factory Expenses			9,974		14,598
TOTAL			9,974		21,598
ADMINISTRATION,SELLING & OTHER EXPENSES	8				
Directors Remuneration			33,000		11,000
Staff Welfare - Office			-		30
Professional Charges			6,30,641		2,33,802
Postage & Telegram			2,756		27,418
Printing & Stationery			2,680		941
Travelling & Conveyance - Directors			20,120		16,710
Travelling & Conveyance - Others			33,311		476
Rent			42,446		40,095
Rates & Taxes			1,17,802		1,73,257
Insurance			149		-
Selling Expenses			-		79,596
General Expenses			2,44,362		1,93,063
Repairs & Maintenance			-		6,868
Auditors' Remuneration					
i. Statutory Audit Fees			33,090		33,090
ii. Taxation Matters			22,060		22,060
iii. Certification Matters			48,602		65,629
iv. Other Fees			27,575		-
v. Out of Pocket expenses			6,000		22,061
TOTAL			12,64,594		9,26,096
FINANCIAL CHARGES	9				
Interest					
On Unsecured loan			-		12,75,620
Others			6,71,662		10,63,953
Bank Charges			2,054		42,987
TOTAL			6,73,716		23,82,560

Notes on Accounts

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

	Year ended 31.03.2011		Year ended 31.03.2010	
	Rupees	Rupees	Rupees	Rupees
A. Cash Flow from Operating Activities :				
Profit/(Loss) for the year (a)		4,76,471		2,15,474
Add: Adjustments for:				
Depreciation for the year	20,53,112		21,69,183	
Interest on Loans	-		12,75,620	
Prior Period Expenses	(80,453)		(15,494)	
(Profit)/ Loss on sale of fixed assets	-		(9,11,276)	
Depreciation written back	-		(4,79,338)	
Sub Total (b)		19,72,659		20,38,695
Operating Profit before working capital changes (c=a+b)		24,49,130		22,54,169
Add:				
Decrease in sundry debtors	1,35,348		60,34,441	
Sub Total (d)	1,35,348		60,34,441	
Less:				
Increase in loans and advances	5,177		2,61,598	
Decrease in current liabilities	1,02,51,821		98,01,048	
Sub Total (e)	1,02,56,998		(1,00,62,646)	
Cash generated from operations (f=c+d-e)		(76,72,520)		1,83,51,256
Add:				
Income Tax/ Tax Deducted At Source	-		(3,79,350)	
Fringe Benefit Tax	-		-	
Fringe Benefit Tax - previous year	-		(10,047)	
Sub Total (g)	-		(3,89,397)	
Net cash from operating activities (A = f+g)		(76,72,520)		1,79,61,859
B. Cash Flow from Investing Activities :				
Purchase of fixed assets	(2,03,345)		-	
Assets written off	-		-	
Sale of fixed assets	-		34,79,338	
Sub Total	(2,03,345)		34,79,338	
Net cash used in investing activities (B)		(2,03,345)		34,79,338
C. Cash Flow from Financing Activities :				
Repayment of Secured loan	-		(1,00,00,000)	
Repayment of Unsecured Loan	-		(1,02,75,410)	
Lease rental deposit received	77,98,345		-	
Loan received	-		(12,75,620)	
Interest Paid	-		-	
Sub Total	77,98,345		(2,15,51,030)	
Net cash used in financing activities (C)		77,98,345		(2,15,51,030)
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)		(77,520)		(1,09,833)
Cash and cash equivalents as at beginning		1,32,404		2,42,237
Cash and cash equivalents as at closing		54,884		1,32,404

As Per My Report of even date
For Raghavendra Naik & Associates
Chartered Accountants
 Firm Registration No. : FRN 010270S
T.RAGHAVENDRA NAIK
Proprietor
 Membership Number : 210228
 Place : Bangalore
 Date : 30.05.2011

For and on behalf of the Board of Directors

G. ANANDA
Director

SURESH SHASTRY
Chairman & Director



NOTES AND ADDITIONAL INFORMATION FORMING PART OF ACCOUNTS

SCHEDULE NO. 5

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statement

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. The company maintains its accounts on accrual basis.

2. Fixed Assets & Depreciation:

- a) Fixed assets (including dies and tools) are capitalised at acquisition cost including costs directly attributable to bringing the assets to their working condition, for the intended use.
- b) Depreciation on Fixed assets is provided on straight-line method in accordance with rates prescribed in Schedule XIV to the Companies Act, 1956.

3. Impairment of Assets:

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

4. Employee Benefits:

i. Defined Contribution plans

The Company makes Provident Fund / Superannuation contributions to the provident fund authorities/ the Life Insurance Corporation of India as a fixed percentage of the payroll costs which is recognised in the profit and loss account.

5. Provision for Current and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing differences" between taxable income and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. However, no deferred tax assets are recognised on carry forward of tax losses and unabsorbed tax depreciation since there is no virtual certainty in respect of future taxable income. If deferred tax assets are to be recognised on carry forward of

tax losses and unabsorbed tax depreciation the profit for the period would be increased by Rs.85.25 Lakhs.

6. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

7. Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

8. Going Concern

The turnover of the company substantially declined during the financial year 2008-09, due to the economic crises. Since it was not economical to run the factory at such levels, nor to keep the factory closed and with a view to curtail the mounting losses, the company leased the facilities pursuant to the resolution at the extra-ordinary General meeting of the shareholders on 20 March 2009. In accordance with the resolution at the extraordinary general meeting, the company entered into an agreement on 29 March 2009 with Bhagavathi Enterprises Ltd for leasing of the manufacturing facilities with effect from 1 April 2009 for a period of 11 months. The agreement was further renewed to 11 months on 24 May 2010.

Considering the manufacturing facilities are still in use, the management's assessment of improvement in operations in general, the accounts of the company have been prepared on a Going Concern basis although the manufacturing facilities have been leased. The accumulated loss exceeds the net worth of the company by Rs. 1,58,71,131.

In order to revive the business and enhance the future prospects of the Company, the shareholders have approved the proposal of amalgamation of Shimoga Technologies Limited with Smiths & Founders India Limited and a draft rehabilitation scheme has been presented to the Board For Industrial And Financial Reconstruction ('BIFR') to this effect on 27 April 2011 for their approval.

NOTES ON ACCOUNTS:

1. Previous year figures/ period have been regrouped wherever necessary to confirm to the current year's classification.
2. Figures have been rounded off to the nearest rupee.
3. No provision has been made for taxation, as there is no taxable income as per the provisions of the Income tax Act, 1961.
4. Contingent liabilities:
We are unable to ascertain or quantify the amount towards contingent liabilities, consequent to the delays and defaults in compliances with the filings under the KST / KVAT/ Service Tax/ TDS/ ED / PF / PF / PT as the proceedings are underway and no indications are available as to the direction the proceedings will take.

5. Managerial remuneration:

Particulars	Year Ended	Year Ended
	on 31-03-2011	on 31-03-2010
	Rupees	Rupees
Remuneration	NIL	NIL
Contribution to Provident Fund	NIL	NIL
Contribution to Superannuation Fund	NIL	NIL
House Rent allowance	NIL	NIL
Other Reimbursements and Perquisites	NIL	NIL
Sitting fees paid to directors	33,000	11,000
TOTAL	33,000	11,000

6. The company has received order of waiver of interest on Sales tax dues on 1 June 2010 amounting to

Rs.34,74,861. This amount is charged to Profit and loss account under the head – Other incomes.

Particulars	Year	Interest Waived Amount (Rs)
The Karnataka Sales tax Act 1957	1992-93	2,50,205
The Karnataka Sales tax Act 1957	1994-95	21,411
The Karnataka Sales tax Act 1957	1996-97	1,320
The Karnataka Sales tax Act 1957	2000-01	10,855
The Karnataka Sales tax Act 1957	2001-02	8,03,478
The Karnataka Sales tax Act 1957	2002-03	3,71,237
The Karnataka Sales tax Act 1957	2003-04	8,23,477
The Karnataka Sales tax Act 1957	2004-05	11,92,880

7. Disclosure as per Section 22 of Micro, Small and Medium Enterprises Development Act,2006 (As certified by the management)

Particulars	For the year ended March 31, 2011 (Rupees)		For the year ended March 31, 2010 (Rupees)	
	Principal	Interest	Principal	Interest
Amount due to Vendor	-	1,85,803	-	1,43,963
Amount paid beyond the appointed date	-	-	700,460	-
Interest accrued and remaining unpaid	-	1,85,803	-	1,43,963

Names of the small industrial undertakings to whom the company owes any sum which is outstanding for more than 45 days as at 31 March 2011: NIL

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

8. **Related Party Disclosures:**

(a) Transaction with related parties & Key Management Personnel

Name of the Party	Nature of Transactions	Year ended 31-03-2011 Amount (Rs.)	Year ended 31-03-2010 Amount (Rs.)
Bhagavathi Enterprises Ltd.	Lease rentals on Hiring of Machinery & Building	6,75,000	23,62,500
Mr. Suresh Shastry			12,75,620

**SHIMOGA TECHNOLOGIES LIMITED**

(b) Balance with related parties

Name of the Party	Particulars	Year ended 31-03-2011 Amount (Rs.)	Year ended 31-03-2010 Amount (Rs.)
Bhagavathi Enterprises Ltd.	Advance from Customers	1,17,435	1,38,349

9. The information required in terms of Paragraphs 3 & 4 of Part II of the Schedule VI to the Companies Act, 1956 is as follows:

	Year Ended 31-03-2011	Year Ended 31-03-2010
Installed Capacity-Per annum. (Tonnes)	1,890	1,890
Licensed Capacity (Tonnes)	Not Applicable	Not Applicable
Production in tonnes (Tonnes)	Nil	Nil

10. Value of imported and indigenous materials consumed:

Particulars	Year Ended 31-03-2011		Year Ended 31-03-2010	
	%	Rs.	%	Rs.
Raw Materials - Imported	-	-	-	-
- Indigenous	-	-	-	-
Spare parts & Components - Imported	-	-	-	-
- Indigenous	-	-	-	-

11. Quantitative Details:

Since no business operation was carried out during the period no quantitative details can be provided.

12. Prior Period Adjustments:

Amount in Rs.

Particulars	Year Ended 31-03-2011	Year Ended 31-03-2010
Expenditure:		
FBT Earlier period:	-	10,047
Others	90,453	15,494
Total	90,453	25,541
Income:		
Others	10,000	-
Total	10,000	-
Net Prior Period Expenditure	80,453	25,541

13. Calculation of Earning per share as per Accounting Standard (AS-20) "Earning per Share"

Particulars	2010-11	2009-10
Net Profit/(loss) for the year (Rs.)	495,324	189,933
No. of Equity Shares outstanding at the beginning of the year	43,200,000	43,200,000
No. of Equity Shares outstanding at the end of the year	43,200,000	43,200,000
Weighted average number of equity shares	43,200,000	43,200,000
Nominal value per share (Rs.)	1	1
Basic & Diluted earnings per share	0.01	0.00

14. The company has entered in to two different agreements in the nature of lease with different lessor/lessee for the purpose of, letting out of manufacture facilities and establishment of office premises.
- i. The leasing arrangement is for 11 months in respect of Manufacture facilities and is renewable on mutually agreeable terms. The lease was renewed on May 24 2010, and further amended on August 16 2010. Further lease was renewed on February 02,2011 for 11 months. The aggregate lease rentals receivable for the year is reflected as rent received / receivable under other income in the profit and loss account.
- The lease rental was reduced in August 2010 from Rs.1,00,000 to Rs.25,000 consequent to the receipt of additional lease rental deposits amounting to Rs.75. lakhs. The lease rentals receivable for the remaining term of the lease is Rs. 2,25,000.
- The company has created an equitable mortgage by deposit of title deeds on land and building situated at Plot No.N12 & N13, Industrial Estate, Sagar Road, Shimoga and also hypothecated the plant and machinery in favour of Smiths & Founders (India) ltd (formerly known as Bhagavathi Enterprises Ltd) as a security for the deposit for Rs.2.40 Crores given by them for leasing the manufacturing facilities.
- ii. The leasing arrangement is for 11 months in respect of establishment of office premises and is renewable on mutually agreeable terms. The lease was renewed on 31st October 2010 with effective from 1st November 2010. The aggregate lease rentals payable for the year is reflected as rent paid / payable under indirect expense in the profit and loss account. The disclosure required as per Accounting standard 19 with regard to the above is as under:
- a) Payments under operating lease for period:
- 1) Not later than one year: Rs.44,747
- 2) Later than one year but not later than five year: Nil.
- b) Payment recognised in the Profit and Loss account for the year ended 31st March, 2011 is Rs. 42,446
15. There are no employees who are in receipt of remuneration in excess of the limits specified under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.
16. The company has been declared a sick industrial company within the meaning of clause (o) of sub section (1) of section 3 of the Sick Industrial Companies Act 1985, and the company has made an application to the Board of Industrial and Financial Reconstruction ('BIFR') under the provisions of the Act and the matter is pending before the board.
17. Expenditure in Foreign Currency: Travelling, Conveyance and Exhibition expenses Rs. Nil/- (Previous Year Rs. Nil/-),
18. Earnings in Foreign Currency: Nil (Previous Year Rs. Nil)

SHIMOGA TECHNOLOGIES LIMITED

Regd. Office : #135/3A, 11th Cross, Malleswaram, Bangalore - 560 003

ATTENDANCE SLIP

(Please fill the Attendance slip and hand it over at the entrance of the meeting venue)

(Joint shareholders may obtain additional attendance slip on request)

DP ID *		Regd.Folio	
Client ID*		Number of Shares Held	

I hereby record my presence at the Twentieth Annual General Meeting of the Company held on Thursday, 29th September, 2011 at 10.00 a.m at MEWS Ladies Club No.37, 17th Cross (between 4th and 6th Main) Malleswaram, Bangalore – 560 055.

Name of the Attending Shareholder.....

Name of the Proxy.....

(To be filled in if the Proxy attends instead of the Share Holder)

Signature of the Shareholder/Proxy.....

NOTE: Shareholders/Proxy holders are requested to bring the Attendance Slips with them, duly filled in when they come to the meeting and hand them over at the gate, affixing their signatures on them.

***Applicable for investors holding shares in electronic form.**

SHIMOGA TECHNOLOGIES LIMITED

Regd. Office : #135/3A, 11th Cross, Malleswaram, Bangalore - 560 003

DP ID *		Regd.Folio	
Client ID*		Number of Shares Held	

PROXY

I/we being a member/ members of SHIMOGA TECHNOLOGIES LIMITED hereby appoint of or failing him of as my/ our proxy to attend and vote for me/ us and on my/our behalf at the Annual General Meeting of the company to be held on Thursday, 29th September, 2011 at 10.00 a.m and at any adjournment thereof.

Signed this.....day of.....of September, 2011.

Affix 1 Re.
Revenue Stamp

Signed proxy must be deposited at the Registered office of the Company not less than 48 hours before the time fixed for holding the meeting.