



ANNUAL REPORT 2011-2012



**SHILCHAR
TECHNOLOGIES LIMITED**



Corporate Information

BOARD OF DIRECTORS

Mr. Jitendra C. Shah Chairman
Mr. Alay J. Shah Managing Director
Mr. Ashesh J. Shah
Mr. O. P. Khanna
Mr. Mukesh D. Patel
Mr. Kirtikant P. Shah
Mr. Rajesh Varma

BANKERS

Bank of Baroda
Standard Chartered Bank

AUDITORS

Naresh & Company
Chartered Accountants
2nd Floor, Citi Enclave
Opp. Polo Ground
Vadodara

REGISTERED OFFICE

Bil Road, Bil - 391 410
Dist. Vadodara, (India)

REGISTER & TRANSFER AGENT

MCS LIMITED
Neelam Appartment,
88, Sampatrao Colony,
R. C. Dutt Road,
Alkapuri,
Baroda - 390 007.

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NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of Members of Shilchar Technologies Limited will be held at the Registered office of the Company at Bil Road, Bil - 391 410, Dist. Vadodara on Saturday, the 04 day of August, 2012 at 3.00 p.m. 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, 2012 Balance Sheet as at that date together with reports of the Directors and the Auditors thereon.
2. To declare a Dividend on equity shares of the Company for the year ended 31st March, 2012.
3. To appoint a Director in place of Mr. Ashesh J. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Kirtikant P. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s Naresh & Co., (having ICAI Reg. No. 106928W) Chartered Accountants, Vadodara, as Auditors of the Company, to hold Office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors
For **SHILCHAR TECHNOLOGIES LIMITED**

Place: Bil, District. Vadodara
Date: 12.05.2012

ALAY SHAH
M. D.

**Details of Directors seeking re-appointment at the forthcoming Annual General Meeting
(Pursuant to Clause 49 of the Listing Agreement)**

Name of Director	Shri Ashesh J. Shah	Shri Kiritikant P. Shah
Date of Birth	06.01.1964	06.01.1939
Date of Appointment	13.01.1986	25.10.1997
Expertise in Specific Functional Area	Marketing	Manufacturing and Technology updation in the field of Transformers
Qualifications	Bachelor of Science with Electronics Engineering	Bachelor of Engineering
Directors in other public limited companies	E Cube India Solutions Limited	Hatsun Agro Products
Other positions	NIL	NIL
Membership of committees in other public limited companies	NIL	NIL
Shares held in the company	1900	NIL



NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The explanatory Statement, relating to Special Business mentioned in items no. 6 & 7 of the Notice, as required under Section 173 (2) of the Companies Act, 1956, is attached herewith.
3. The Register of members and Share Transfer Books of the company will remain closed from Wednesday, 01-08-2012 to Saturday, 04-08-2012 (both days inclusive).
4. Members are requested to intimate quoting their Folio number, the change of their address, along with PIN Code Number, if any, and PAN/GIR Number with IT Ward/Range/District immediately to the Company.
5. Members who are holding Equity Shares in identical order of names in more than one Folio are requested to write to the Company to enable them to consolidate their holdings in one Folio.
6. All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and shares certificates should preferably be sent direct to the Company.
7. Members are requested to intimate the Company of queries, if any, regarding these accounts / notice at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the meeting.
8. Shareholders are requested to indicate their bank account details viz. type of account, account number, banker's name and address to enable the Company to record the mandate and forward future Dividend Warrant / refund order, etc. in such name to the Shareholders to reduce the mal-practices of theft of Warrants / Orders. Such information may please be sent to the Registered Office of the Company.
9. Members are hereby informed that dividends for the financial year 2005-06, 2006-07, 2007-08 2008-09, 2099-10 and 2010-11 remaining unpaid or unclaimed over a period of seven years from the date of transfer of such dividends to the respective Unpaid Dividend Account of the Company shall be transferred by the Company to the Investor Education and Protection Fund pursuant to Section 205A and 205C of the Companies Act, 1956. Members are requested to encash their Dividend Warrants for these years, if not already done after getting them revalidated from the Company.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Sixth Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March 2012.

1. Financial Results:

[Rupees in Lacs]		
Particulars	2011-12	2010-11
Revenue from Operations	8294.16	9347.09
Other Income	55.74	72.32
Total Revenue	8349.90	9419.41
Less: Expenses before Interest and Depreciation	7757.55	8792.05
Less: (a) Interest	425.67	351.19
(b) Depreciation	106.96	98.87
Profit before Tax & Extra ordinary Items	59.72	177.30
Add: Interest on Income tax Refunds	0.00	1.61
Add: Excess Provision for Expenses Written Back	3.33	0.38
Less: Foreign Currency Monetary Item Translation Difference Account Written off	0.00	2.47
Less: Prior year's Income Tax Adjustment	(0.44)	(2.25)
Profit Before Taxation	62.62	179.08
Less: Tax Expenses		
Current Tax	30.00	67.35
Tax of Earlier Year	0.00	0.00
Deferred Tax	(9.23)	(4.45)
Profit after Tax	41.85	116.19
Balance brought forward from previous year's amount available for appropriation	963.13	869.17
Balance available for appropriation	1004.98	985.37
APPROPRIATION		
Transfer to Foreign currency Monetary Item Transaction Difference	0.00	0.11
Proposed Dividend on Equity Share	19.07	19.07
Corporate Dividend Tax on above	3.09	3.17
Balance Carried over to next year	982.82	963.13

2. Dividend:

For the year under review, your Directors have recommended a dividend of Rs. 0.50/- per share (i.e. 5%) on Company's paid up equity share capital comprising of 38,13,400 equity shares of Rs. 10/- each. Thus, the total dividend outgo for the current fiscal will amount to Rs. 22.16 lacs including dividend distribution tax of Rs. 3.09 lacs.

3. Operational Highlights:

The Company earned operational income of Rs.8294.16 lacs compared to Rs. 9347.09 lacs for the previous year. The other income is Rs. 55.74 lacs compared to Rs.72.31 lacs in the previous year. The total revenue for the year is Rs.8349.90 lacs against Rs.9419.41 lacs in the previous year. Profit after tax is Rs.41.85 lacs as compared to previous year figure of Rs.116.19 lacs. The Company has witnessed decrease of 12.80% and 177.65% in earning revenue and net profit, respectively over previous year.

During the period under review, the Company has begun supplying transformers for renewable energy sector and concentrated more on export market.

4. Accreditation:

Your Company has been authorized by the Bureau of Energy Efficiency (BEE) for using three (4) Star Rating labels on its Distribution Transformers with the capacity of 25KVA/63KVA/100KVA and 200KVA, respectively.

The Company is also holding ISO 9001:2000 Certificate since September, 2004 for quality systems in relation to its factory located at village Bil, District Vadodara in the State of Gujarat.

5. Finance:

The Company has been optimally utilizing its fund based and non fund based working capital requirements as tied up with Bank of Baroda and Standard Chartered Bank, respectively. During the year under review, the Company was comfortable in meeting



its financial requirements. Effective financial measures have been continued to reduce cost of interest and bank charges in increase rate scenario through out the year.

6. Management Discussion and Analysis:

The Management Discussion and Analysis Report is appended as Annexure-1 to this Report.

7. Corporate Governance:

A separate Section on Corporate Governance is included in the Annual Report and the certificate from the Company's Auditors confirming the compliances of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is annexed thereto, which forms part of the Director's Report.

8. Directors:

Mr. Ashesh J. Shah and Mr. Kirtikant P. Shah retire by rotation, and being eligible, offer themselves for re-appointment.

9. Auditors:

The Auditors, M/s. Naresh and Co., Chartered Accountants, Vadodara retire at the conclusion of the forthcoming Annual General Meeting and being eligible have expressed their willingness to be re-appointed. The Company has received a Certificate from M/s. Naresh and Company to the effect that their re-appointment, if made, will be within the limit prescribed under Section 224(1B) of the Companies Act, 1956.

10. Auditor's Report:

The Auditors, in their Report, have referred to the notes forming part of the accounts. The said notes are self-explanatory.

11. Fixed Deposits:

Your Company has not accepted any fixed deposits.

12. Energy, Technology and Foreign Exchange:

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are given vide Annexure-2 and forms part of this Report.

13. Particulars of Employees:

The statement of Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not applicable to the company.

14. Directors' Responsibility Statement:

The Directors state that:

- (i) in the preparation of the annual accounts for the financial year ended 2011-12, the applicable accounting standards had been followed along with proper explanation relating to material departures
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2011-12 and of the profit or loss of the Company for that period ;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for that period ;
- (iv) the Directors had prepared the annual accounts on a going concern basis.

15. Compliance Certificate

The Company has obtained a compliance certificate as required u/s. 383A of the Companies Act, 1956 which is attached herewith, forming part of this report.

16. Personnel / Industrial relations:

During the period under review, the personal and industrial relations with the employees remained cordial in all respects.

17. Acknowledgement:

Your Directors wish to place on record their deep appreciation and thanks to all the Banks, Central and State Government and Local Authorities and all stakeholders for their continued co-operation in the progress of your Company.

Your Directors also wish to place on record their wholehearted thanks for the dedicated services rendered by the employees of the Company.

For and on behalf of the Board of Directors
For **SHILCHAR TECHNOLOGIES LIMITED**

Place: Bil, District Vadodara
Date: 12.05.2012

ALAY SHAH
M.D.

Annexure-1 to the Director's Report 2011-12

Management Discussion and Analysis

a) Industry Overview

The power sector value chain comprises generation, transmission and distribution. Electricity generated at a power plant is transmitted to the nearest grid via step-up transformers and then to the state grid via step-up or step-down transformers. Then it is transmitted to a power substation via step down transformers. Finally, distribution transformers are used to transmit power from the sub-transmission point to end consumers. Power transformers account for 60-70% of the total installed capacity while distribution transformer accounts for the remaining 30-40%.

India has technology and capacity to manufacture wide range of power transformers, distribution transformers and other types of special transformers. Indian companies are capable of manufacturing energy efficient transformers with low losses and low noise levels. The players in transformer industry have updated their manufacturing facilities to cope up with technical requirements at national and international levels. They have established in house R & D labs and are regularly updating their technical capabilities to develop transformer of latest technology and design.

The Bureau of Energy Efficiency (BEE) is actively working to ensure that quality products are procured by the electricity boards and has accordingly stipulated mandatory 3 star ratings for distribution transformers. Most manufacturers have upgraded to meet these requirements.

b) Opportunities

India has set itself ambitious targets of investment in the power sector, in view of the significant power deficit and sustaining economic growth momentum. The momentum of capacity addition is expected to continue at a higher rate during the 12th Plan with large capacity additions lined up by private sectors. With huge power plants are coming up, the need for transmission will drive demand for transformers.

In the global market, performance of Indian product is acknowledged as technically par with leading international companies. Since the transformer industry has matured enough as a reliable supplier, there is huge potential in exporting transformers in various parts of the world including countries like USA, Canada, Europe, South Africa, Middle east and Far east countries.

In addition to conventional sectors, the renewable energy sector which inter alia includes wind power, solar power and hydro power, has thrown vast opportunities for supplying "Green Transformers".

c) Threats

The amount of poor governance at various statutory bodies and their high borrowings needs has made it difficult for the country to enhance its growth and reduce its growing fiscal deficit. The high interest rate, liquidity crunch and double digit inflation are the further areas of concern. These put together will affect the allocation and spending of funds by the government as envisaged in its 12th Plan, which could demoralize the growth of capital intensive industry including transformer.

Having incurred capital expenditure on capital expansion, the industry now runs the risk of being saddled with idle capacities in the absence of adequate order inflows, which has led to a steep price competition and falling margins.

Rising trend in prices of commodities namely, copper, steel and oil is a major area of concern for transformer industry. Cheaper imports of power equipments from Chinese market, to a great extent, damaged the business momentum of domestic power equipment manufacturers.

d) Segment wise performance

It is seen from past trend in India that power transformers account for around 60-70% percent of the transformer market whereas the distribution transformer market constitute the rest. The Company's customers could be broadly divided into two main segments viz. State Utilities and Private Industrial Companies.

e) Outlook

Despite having all adversities including global slowdown, the Company remains optimistic about the future of transformer industry and firmly believes in the strong roots of Indian economy.

The massive programme of generation, transmission and distribution outlined in 12th Plan envisages huge demand of transformers. Growth in electricity consumption, rapid expansion of rural and urban infrastructure, moderate growth in industrial demand, spending thrust of Government of India on publicly funded programme etc. are the key factors which will provide opportunities to the transformer manufacturers and propel growth in transformer industry.

f) Internal control system

Internal controls and systems have found to be adequate. These are reviewed periodically by the Audit Committee and efforts are made to improve further, wherever possible.



g) Human resources and Safety

Your Company continued its activities during the year in a cordial atmosphere with utmost co-operation amongst employees and the management. The management is committed to promote safety, occupational health and proper environment is design, planning, training and completion of all tasks. Training are imparted to workmen in various new techniques and systems. During the period under review, your Company remains "Zero Discharging Pollution Unit".

The Company believes in sustainable development and is committed to discharge its social responsibilities to the extent possible. The Company regularly donates to the institutions for noble cause. The Company has taken initiative by indemnifying small vendors and to lend them support for their individual growth.

Annexure-2 to the Director's Report 2011-12

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 2012

Sr. No.	Particulars
[A]	Conservation of Energy:
(a)	Energy conservation measures taken:
1.	Application of Gas based Ovens.
2.	The lighting changed to Picture Tube Lights (PL)
3.	At Plant II, the MH Lamps installed.
4.	The Company set up a wind mill project to generate eco friendly electricity, being used for captive consumption.
5.	The numbers as well as capacity of capacitors changed to achieve improved power factor.
6.	The Company purchased screw Compressor in place of Reciprocating Compressors.
7.	At shop floor, Air Ventilators installed.
8.	The consumption of Diesel is under close supervision.
9.	Putting trust on developing energy efficient transformers.
(b)	Additional investments and proposals if any, being implemented for reduction of consumption of energy: NIL
(c)	Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Saving in power cost
(d)	Total energy consumption and energy consumption per unit of production as per prescribed
	Form A:

A.	Power & Fuel Consumption	2011-12	2010-11
1.	Electricity:		
a)	Purchased		
	Unit	8,84,109	8,09,150
	Total Amount (in Rs.) – Gross	61,01,394	57,84,084
	Rate/ Unit	6.90	7.14
b)	Own Generation:		
i)	Through Diesel Generator		
	Diesel Qty (in Ltr)	3120	2100
	No. of Units Generated	11632.65	18882
	Total Amount (in Rs.)	1,37,323	82,242
	Unit per Ltr of Diesel Oil		
	Total Cost per Unit		
ii)	Through Steam	NIL	NIL
	Turbine/ Generator	---	---
	Unit	---	---
	Units per Ltr. of Fuel Oil/ Gas	---	---
2.	Coal (Specify quantity and - where used)	NIL	NIL



3.	Furnace Oil:		
	Quantity in Liters	NIL	NIL
	Total Amount	NIL	NIL
	Average Rate/ Liter	NIL	NIL
4.	Others:		
a)	Light Diesel Oil:		
	LDO Consumed in Liters	NIL	NIL
	Total Amount	NIL	NIL
	Average Rate/ Liter	NIL	NIL
b)	Wind Generation:		
	Generated Units	4,78,423	4,25,331
	Total Amount	33,10,685	27,56,144
	Average Rate/ Unit	6.92	6.48

B. CONSUMPTION PER UNIT OF PRODUCTION:

Since the Company manufactures different types of transformers, it is not practicable to give consumption per unit of production.

FORM B

[B] Technology Absorption:

(a) Research & Development:

(1) Specific area in which R & D is carried out by the Company:

1.1 The Company is in the process of establishing state of the art facilities for research.

1.2 The Company has been investing in setting up optimum testing facilities at various stages of production process.

(2) Benefits derived as a result of the above R & D

Improvement in quality and better product mix

(3) Future plan of action:

To invest more in R & D activities.

(4) Expenditure on R & D:

During the financial year ended on 31.03.2012, the Company spent Rs.27.65 lacs on R & D activities, being 0.33% of its total turnover, as compared to Rs.27.21 lacs, being 0.29% in the previous year.

(b) Technology Absorption, Adaptation & innovation:

(1) Efforts in brief, made towards technology absorption, adaptation and innovation.

Your Company has continued its efforts to upgrade its manufacturing facilities of Electronics & telecommunication transformers.

[C] Foreign Exchange earnings and outgo:

Sr. No.	Particulars	2011-12	2010-11
01.	Earning from Export during the year	6,82,69,653/-	9,39,34,968/-
02.	Outgo:		
	a) CIF value of Imports	3,30,88,533/-	6,48,57,690/-
	b) Expenditure in foreign currency	5,27,417/-	12,11,317/-
	c) Traveling	1,00,128/-	2,58,040/-

For and on behalf of the Board of Directors
For **SHILCHAR TECHNOLOGIES LIMITED**

Place: Bil, District Vadodara

Date: 12.05.2012

ALAY SHAH

M.D.



COMPLIANCE CERTIFICATE

To
The Members
Shilchar Technologies Limited
Bill Road, Bill
District Vadodara – 391 410

CIN: L29308GJ1986PLC008387

We have examined the registers, records, books and papers of Shilchar Technologies Limited, (the Company) 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, 2012. In our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the Company, its officers and agents, I/We 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 duly recorded.
2. The Company has duly 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 within the time prescribed under the Act and the rules made there under.
3. The Company, being a Public limited company, comment is not required.
4. The Board of Directors duly met 04 (Four) times on 28.05.2011, 30.07.2011, 24.10.2011 and on 11.02.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the Minutes Books maintained for the purpose.
5. The Company closed its Register of Members from 25.07.2011 to 30.07.2011 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31.03.2011 was held on 30th July, 2011 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting (EGM) was held during the financial year.
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.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors and members pursuant to section 314 of the Act wherever applicable.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) There was no allotment of securities during the financial year.
(ii) The Company has deposited the amount of dividend declared in a separate bank account, namely Unpaid Dividend Account namely "Shilchar Technologies Limited – Dividend Cum – unpaid Dividend Account–2011" with Bank of Baroda, Alkapuri Branch, Vadodara on 30.07.2011 which is within five days from the date of declaration of dividend in the AGM held on 30.07.2011.
(iii) The Company has posted dividend warrant to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed / unpaid dividend has been lying in the said Unpaid Dividend Account namely "Shilchar Technologies Limited – Dividend Cum – unpaid Dividend Account – 2011" with Bank of Baroda, Alkapuri Branch, Vadodara.
(iv) The Company was not required to transfer the amounts of any unpaid dividend account, application money due for refund, mature deposits, mature debentures and the interest accrued thereon to Investor Education and Protection Fund as there was no such amount remained unclaimed or unpaid for a period of seven years.
(v) The Company has duly 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 alternate directors and directors to fill casual vacancies during the financial year
15. The appointment of Managing Director/ Whole Time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.



16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Director pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of Preference shares or debentures during the year financial year.
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 in compliance with the provisions of the Act.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year, except for the outstanding amount of unsecured loans of Directors received in the past.
24. The amount borrowed by the Company from public financial institutions, banks and others during the financial year ending on 31st March, 2012 is within the borrowing limits of the Company and that necessary resolutions have been passed in duly convened extra ordinary general meeting.
25. The Company has not made any loans, investments or advances or 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 and complied with the provisions of the Act.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident fund with prescribed authorities pursuant to Section 418 of the Act.

Place: Vadodara
Date: 10.05.2012

Signature:
Name of Company Secretary: Hemang M. Mehta
C. P. No.: 2554

Annexure A

Registers as maintained by the Company

Register of Members u/s. 150
Register and Returns u/s. 163
Minutes Books of Board Meetings and Shareholders Meetings u/s. 193
Books of Accounts u/s. 209
Register of Charges u/s 143
Register of Particulars of Contracts in which Directors are interested u/s. 301
Register of Directors, Managing Director and Secretary u/s. 303
Register of Directors' Shareholdings u/s. 307
Register of Directors' Attendance
Register of Shareholders' Attendance
Register of Transfer of shares

Place: Vadodara
Date: 10.05.2012

Signature:
Name of Company Secretary: Hemang M. Mehta
C. P. No.: 2554



Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012.

Sr. No.	Form No. / Return	Filed under section	For	Date of filing	ROC Receipt No. & Amt. Rs.	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form No. 8	125	Securing modified limits of Rs. 45 crores in favour of Bank of Baroda, Alkapuri Branch, Vadodara (HP Charge).	05/09/11	B19571702 Rs. 500/	Yes	No
2	Form No. 8	125	Securing modified limits of Rs. 45 crores in favour of Bank of Baroda, Alkapuri Branch, Vadodara (EM Charge).	05/09/11	B19570571 500/-	Yes	No
5	Form No. 66	Rule 3 of the Companies Compliance Certificate Rules 2001	Pursuant to Rule 3 of the Companies (Compliance Certificate) Rule 2001 for the F.Y. 2010-11	29/11/11	P81678054 Rs. 500/-	No	Yes
6.	Form No. 23AC & ACA (XBRL)	220	Towards the Filing of Annual Accounts for the year ended 31.03.11	21/12/11	P83500348 Rs. 500/-	Yes	No
7.	Form 20B	159	In relation to Filing of Annual Return for the AGM held on 30.07.11	05/09/11	P69941987 Rs. 500/-	Yes	No

Place: Vadodara
Date: 10.05.2012

Signature:
Name of Company Secretary: Hemang M. Mehta
C. P. No.: 2554



CORPORATE GOVERNANCE REPORT

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance

The Company's purpose is business and to maximize long-term shareholder value by selling its goods and services. Therefore, our Corporate Governance processes are directed at ensuring that Company actions, assets and agents are directed to achieving this purpose while complying with the Code of Governance and the Company's own policies and expectations and covers aspects such as ethical conduct, health, safety and the environment; control and finance; commitment to employees; and relationships.

Company's corporate governance conforms to regulatory and legal requirements, such as the terms of Listing Agreements with Stock Exchanges. In addition, it incorporates several practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. The Board lays emphasis on integrity and accountability.

Key aspects of the Company's Governance Processes are:

- Clear statements of Board Processes and Board Executive linkage.
- Disclosure, accountability, transparency, adequate systems and procedures to monitor the state of affairs of the Company to enable the Board in effectively discharging its responsibilities to the stakeholders of the Company.
- Identification and management of key risks to delivery of per performance of the Company.

2. Board of Directors.

The Management of your Company is entrusted to the Managing Director.

Your Board of Directors closely monitors the performance of the Company and its Management, approvals and reviews strategy and determines the remuneration of the management based on its performance. Your Board ensures legal and ethical conduct and high quality financial reporting. It holds itself accountable to the shareholders as well as other stakeholders for the long-term health of the Company.

(a) Composition

As of the year ended 31st March, 2012, the Board of Directors had 7 (seven) members comprising of 6 (six) Non-Executive Directors and Mr. Alay Shah, Managing Director, being the only Whole time/Executive Director.

The Non-Executive Directors included 4 (four) members who were Independent Directors. The Chairman of the Board is Non Executive Promoter Director.

The numbers of independent directors or numbers of non-executive directors are in agreement with the numbers stipulated by the Clause 49 of the Listing Agreement with the Stock Exchanges.

(b) Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the year under review, the Board of Directors met four times on 28.05.2011, 30.07.2011, 24.10.2011, and 11.02.2012.

The attendance of each of the Directors at the said Board Meetings is given below:

Name of Director	Category of Directorship	No. of Meetings attended	% of total Meetings attended during the tenure as a Director
Mr. Jitendra C Shah	Chairman	3	75%
Mr. Ashesh J. Shah	NED	4	100%
Mr. Alay J Shah	MD	4	100%
Mr. Mukesh D. Patel	NED	3	75%
Mr. O. P. Khanna	NED	4	100%
Mr. Kirtikant.P.Shah	NED	1	25%
Mr. Rajesh Varma	NED	2	50%

NED-Non-Executive Director, MD–Managing Director, ED–Executive Director

Mr. O. P. Khana, Mr. Mukesh D. Patel and Mr. Rajesh Varma, respectively attended the Annual General Meeting of the Company held on 30.07.2011.



(c) Number of other Companies or Committees on which the Director is a Director/Member/Chairman

Name of the Director(s)	Number of other Companies in which Director (including Alternate / Nominee Director)	Number of Committees (other than Shilchar Technologies Ltd) in which Member / Chairman	
		Chairman	Member
Mr. Jitendra C Shah	2	NIL	NIL
Mr. Ashesh Shah	2	NIL	NIL
Mr. Alay Shah	1	NIL	NIL
Mr. Mukesh Patel	7	02	06
Mr. O. P. Khanna	1	NIL	NIL
Mr. Kirti P Shah	NIL	NIL	NIL
Mr. Rajesh Varma	2	NIL	NIL

(d) Brief resume of Directors seeking reappointment at the AGM

A brief resume of respective Directors seeking reappointment at the 26th Annual General Meeting has already been provided hereinabove.

(e) Board Procedure

The Compliance Officer prepares the agenda in consultation with the Managing Director and the Chairmen of various committees. The detailed agenda folders for the Board Meeting as well as Committee meetings are circulated to the Directors with relevant information in advance of the meetings. The Board Meetings as well as General Meetings are held at the Registered Office of the Company. The Board of Directors provides valuable guidance and a head way in achieving the long term objectives of the Company.

3. Audit Committee

(a) Terms of Reference

The terms of reference of this Committee include matters specified in the Listing Agreement and the Companies Act, 1956 and are specified by the Board in writing. Besides having access to all the required information from within the Company, the Committee may obtain external professionals advice, whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, to review reports of the Statutory and the Internal Auditors and to meet them to discuss their findings, suggestions and other related matters. The Committee is empowered to review the remuneration payable to the Statutory Auditors.

It may be clarified that the role of the Audit Committee includes matters specified under Clause 49 II (D) of the Listing Agreement entered into between the Company and The Stock Exchange, Mumbai, Ahmedabad and Vadodara on which the Company's shares are listed.

(b) Composition, name of members and Chairman

As on 31st March 2012, the Audit Committee comprised of 3 Non-Executive Directors viz. Mr. Mukesh Patel, Mr. O. P. Khanna and Mr. Rajesh Varma, all three being independent Directors with the Mr. Alay Shah, being a Permanent Invitee to the Committee. Mr. Rajesh Varma is the Chairman of the Committee. All the members of Audit Committee have financial and accounting knowledge.

(c) Meetings and attendance during the year

Four meetings were held during the financial year 1st April, 2011 to 31st March, 2012. The attendance of each Member of the Committee is given below:

	Designation	No. of Meetings attended	% of total Meetings attended during the tenure as a Director
Mr. O. P. Khanna	Director	4	100%
Mr. Mukesh D. Patel	Director	3	75%
Mr. Rajesh Varma	Chairman	2	50%



4. Remuneration Committee

(a) Terms of Reference

The Remuneration Committee recommends remuneration, promotions, increments etc. for the Executive Directors to the Board for approval.

Remuneration for the Managing Director was fixed by the Board of Directors within the ceiling of remuneration approved by the members at the General Meeting.

(b) Composition, names of members and Chairperson

As on 31st March, 2012, the Committee comprised of 3 Non-Executive independent Directors viz. Mr. O. P. Khanna, Mr. Kirti P. Shah and Mr. Rajesh Varma. Mr. O P Khanna is the Chairman of the Committee.

(c) Attendance during the year

No meeting of the Remuneration Committee was held during the financial year 1st April, 2011 to 31st March, 2012.

(d) Remuneration Policy

The Managing Director was paid a Salary & other perquisites as mentioned below during the year under review.

(e) Details of Remuneration paid to all directors (for the period 1st April, 2011 to 31st March, 2012)

	All elements of remuneration package i.e. Salary benefits bonuses, pension, etc.	Fixed component & performance linked incentives along with the performance criteria (Rs. in Lacs)	Service Contracts notice period, severance fees.	Stock option with details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable
Mr. Alay Shah (MD)	Rs. 23.18 lacs	Nil	Nil	Nil
Mr. Ashesh Shah (NED)	Rs. 15 lacs	Nil	Nil	Nil

Notes:

- (a) The agreement with Managing Director is for a period of 5 years or the normal retirement date whichever is earlier. Further, either party to the agreement is entitled to terminate the Agreement by giving not less than six calendar months notice in writing to the other party.
- (b) Mr. Ashesh Shah has been paid remuneration against rendering by him professional services for which, the necessary permission under the applicable provisions of the Companies Act, 1956 obtained from the Central Government.
- (c) Requisite sitting fees paid to the Non Executives Directors during the year under review.
- (d) During the FY 2011-12, the Company did not have a scheme for grant of stock options to its employees.

5. Transfer & Shareholders/Investors' Grievance Committee.

As on 31st March, 2012, the Transfer and Shareholders' / Investors' Grievance Committee comprised of Mr. Mukesh D. Patel Chairman, Mr. Ashesh Shah and Mr. O. P. Khanna. Mr. Prajesh Purohit, Compliance Officer is the Secretary of the Committee.

(a) Name of the Non-Executive Director heading the Committee / Chairman	:	Mr. Mukesh Patel
(b) Name and Designation of Compliance Officer	:	Mr. Prajesh Purohit
(c) No. of Shareholders complaints received during the financial year	:	No complaints were received from Stock Exchange/ Investor Associations / Securities and Exchange Board of India (SEBI)/ Department of Company Affairs and hence need not reported to the Transfer and Shareholders'/Investors' Grievance Committee in terms of Circular No. 1 (96 – 97) dated 25/07/96 of SEBI.

(d) Number of complaints not solved to the satisfaction of shareholders	:	Not Applicable since no complaints received during the year.
(e) No. of pending share transfers	:	Nil.

6. General Body Meetings:

(a) Location and time where last three AGMs were held			
	Location	Date	Time
(i)	Shilchar Technologies Limited Bil Road, Bil 391 410 Dist.Baroda	30/07/2011	3:00 p.m.
(ii)	—— do ——	28/07/2010	3:00 a.m.
(iii)	—— do ——	30/07/2009	3:00 a.m.
(b)	Whether Special Resolutions were put through Postal Ballot last year	:	No
(c)	Persons who conducted the Postal Ballot exercise	:	N.A.
(d)	Are Polls proposed to be conducted through Postal Ballot this year	:	No
(e)	Procedure for Postal Ballot	:	N.A.

7. Disclosure

(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 interests of Company at large.	Mentioned in Notes to the Accounts under Related Party Transactions.
(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 markets, during the last three years.	None in the last three years.

8. Means of Communication

(a)	Half – yearly report sent to each household of shareholders	:	No, as the results of the Company are published in the Newspapers.
(b)	Quarterly results - Newspapers in which results are normally published in	:	English and Gujarati newspapers
	Any website, where displayed	:	No
	Whether it also displays official news releases	:	Yes
	The presentations made to institutional investors or to the analysts	:	N.A.
(c)	Whether MD&A is a part of Annual Report or not	:	Yes, Part of the Directors' Report.

9. General Shareholder information

(a)	26 th AGM Date, Time and Venue	:	4th August, 2012 at 3.00 p.m. at Shilchar Technologies Limited, Bil Road, Bil, District Vadodara - 391 410.
(b)	Financial calendar	:	i. April 2012 to March 2013
		:	ii. First Quarter 2012 Results – on or before 15 th August, 2012
		:	iii. Second Quarter/ Half yearly Results 2012 – on or before 15 th November, 2012



		iv. Third Quarter 2012 Results – on or before 15 th January 2013																																																				
		v. Audited Results for the Fourth Quarter/ Year ending 31 st March 2013, - on or before 31 st May, 2013.																																																				
(c) Date of Book closure	:	01.08.2012 to 04.08.2012 (both days inclusive)																																																				
(d) Dividend Payment date	:	On or after 05.08.2012, if declared at Annual General Meeting on 04.08.2012.																																																				
(e) Listing on Stock Exchange.	:	The Company has paid Listing Fees for the period 1 st April, 2012 to 31 st March 2013 to VSE & BSE.																																																				
(f) (i) Stock Code – Physical (ii) Demat ISIN Number for NSDL & CDSL	:	531201 INE 024F01011																																																				
(g) Market price Date : High, Low during each month in last Financial year	:	The High / Low market price of the shares during the year 2010-11 at the Stock Exchange, Mumbai were as under. <table border="1" data-bbox="683 712 1422 1263"> <thead> <tr> <th>Month</th> <th>High</th> <th>Low</th> <th>Close</th> </tr> </thead> <tbody> <tr> <td>April, 2011</td> <td>102.00</td> <td>79.00</td> <td>93.90</td> </tr> <tr> <td>May, 2011</td> <td>95.25</td> <td>63.25</td> <td>68.50</td> </tr> <tr> <td>June, 2011</td> <td>87.20</td> <td>65.30</td> <td>76.00</td> </tr> <tr> <td>July, 2011</td> <td>86.80</td> <td>68.45</td> <td>68.50</td> </tr> <tr> <td>August, 2011</td> <td>79.90</td> <td>64.85</td> <td>73.10</td> </tr> <tr> <td>September, 2011</td> <td>76.60</td> <td>64.50</td> <td>64.70</td> </tr> <tr> <td>October, 2011</td> <td>64.00</td> <td>64.00</td> <td>64.00</td> </tr> <tr> <td>November, 2011</td> <td>66.85</td> <td>61.00</td> <td>63.80</td> </tr> <tr> <td>December, 2011</td> <td>70.90</td> <td>55.70</td> <td>60.85</td> </tr> <tr> <td>January, 2012</td> <td>59.20</td> <td>52.30</td> <td>59.20</td> </tr> <tr> <td>February, 2012</td> <td>61.90</td> <td>51.20</td> <td>55.00</td> </tr> <tr> <td>March, 2012</td> <td>60.95</td> <td>46.60</td> <td>60.95</td> </tr> </tbody> </table>	Month	High	Low	Close	April, 2011	102.00	79.00	93.90	May, 2011	95.25	63.25	68.50	June, 2011	87.20	65.30	76.00	July, 2011	86.80	68.45	68.50	August, 2011	79.90	64.85	73.10	September, 2011	76.60	64.50	64.70	October, 2011	64.00	64.00	64.00	November, 2011	66.85	61.00	63.80	December, 2011	70.90	55.70	60.85	January, 2012	59.20	52.30	59.20	February, 2012	61.90	51.20	55.00	March, 2012	60.95	46.60	60.95
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(h) Stock Performance in comparison to Broad-based indices BSE Sensex.	:	N.A.																																																				
(i) Registrar and Transfer Agents	:	M/s.MCS Limited, Neelam Apartment, 88 Samptrao Colony, Alkapuri Baroda Pin 390 007 Ph.Nos.233 9397, 2341639																																																				
(j) Share Transfer System	:	All the transfer and transmission requests are processed on fortnightly basis by M/s. MCS Limited, being the Registrar & Transfer Agent (RTA). To facilitate prompt services, the RTA is also authorized to approve the transfers and dispatch the share certificates within stipulated time frame.																																																				

DISTRIBUTION OF HOLDINGS AS ON 31.03.2012

Shareholders			Nos. of Shares	
Nominal Value of Shares in Rs.	Holders	% To Total	Number	%
Up to 500	520	89.97	82018	2.15
501 to 1,000	30	5.19	22746	0.60
1,001 to 2,000	09	1.56	14187	0.37
2,001 to 3,000	06	1.04	14364	0.38
3,001 to 4,000	01	0.14	6400	0.17
4,001 to 5,000	01	0.17	13040	0.34
5,001 to 10,000	01	0.17	15000	0.39
10,001 to 50,000	01	0.17	60300	1.58
50,001 to 1,00,000	01	0.17	87910	2.31
And Above	08	1.38	3497156	91.71
Total	582	100.00	38,13,400	100.00

- (l) Dematerialization of Shares and liquidity : 98.07% of the paid-up capital has been dematerialized as on 31st March, 2012.
- (m) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity. : The company has not issued any GDRs / ADRs / Warrants or any convertible instruments
- (n) Plant Locations : The Company's plants are located at Bill Road Village: Bil 391 410 Vadodara only.
- (o) Address for correspondence :
 i. Shareholders correspondence should be addressed to either at Registered Office of the Company or at the address of RTA M/s. MCS Limited given as above :
 ii. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

B. NON-MANDATORY REQUIREMENTS

a. Chairman of the Board Whether Chairman of the Board is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties	:	An office has been provided to the Non-Executive Chairman at the Registered Office of the Company.
b. Remuneration Committee	:	Please refer to Sr. No. 4 of this Report
c. Shareholder rights – The quarterly / half-yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of Shareholders	:	As the Company's quarterly / half yearly results are published in English newspapers having a circulation all over India and in a Gujarati newspaper (having a circulation in Vadodara) the same are not sent to the shareholders of the Company.
d. Postal Ballot	:	No resolutions requiring postal ballot as contained for matters as required under Clause 4 of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 have been placed for shareholders' approval at the Meeting.
e. Audit Qualifications	:	The financial statements of the Company are unqualified for the year ended 31.03.2012.



f. Training of Board Members	:	All the Directors have adequate exposure in corporate matters and have expertise in their areas of specialization. Hence, not considered necessary.
g. Mechanism for evaluating Non- Executive Directors	:	The members of the Board are professionals having rich experience in their respective fields and contribute substantially towards decision making process. Therefore, this non-mandatory requirement is not considered necessary.
h. Whistle Blower Policy	:	Whistler Blower Policy is not adopted by the Company.

Code of Conduct:

This is to confirm that in accordance with clause 49 of the listing agreement entered into with the stock exchanges, the Company has adopted Code of Conduct for its Board Members and it has obtained affirmation as to compliance of the same from all the Board members for the financial year ended 31st March, 2012.

For and on behalf of the Board of Directors
For **SHILCHAR TECHNOLOGIES LIMITED**

Place: Bil, District Vadodara
Date: 12.05.2012

**ALAY SHAH
M.D.**

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

**To the Members of
Shilchar Technologies Limited**

1. We have reviewed the compliance of conditions of Corporate Governance by **Shilchar Technologies Limited** (the Company) during the year ended March 31, 2012 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of the conditions of corporate governance is the responsibility of the Management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) have been complied with in all material respects by the Company.
4. As required by the Guidance Note on Certification of Corporate Governance by the Institute of Chartered Accountants of India, we state that no investor grievance is pending for a period exceeding one month as on March 31, 2012, against the Company, as per records maintained by the Investors Grievance/Share transfer Committee of the Company.

For **NARESH & CO.
CHARTERED ACCOUNTANTS**

**HARIN PARIKH
PARTNER
M.R.N. 107606**

Place: Bil, District Vadodara
Date: 12.05.2012



**AUDITOR'S REPORT
To the Members**

We have audited the attached Balance Sheet of **SHILCHAR TECHNOLOGIES LIMITED as at 31st March, 2012**, the Statement of Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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.

1. As required by the Companies (Auditors Report) Order, 2003 and Companies (Auditors Report) Order (Amendment), 2004 (hereinafter collectively referred to as CARO) issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
 - b) In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of the said books;
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss Account annexed thereto and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Statement of Profit and Loss and Cash Flow statement annexed thereto, read together with the Notes thereon including Significant Accounting Policies, give the information as 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 :-
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
 - (ii) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date, AND,
 - (iii) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date

**FOR, NARESH & Co.
CHARTERED ACCOUNTANTS
(F.R.N. 106928W)**

*Place : Vadodara
Date : 12th May, 2012*

**CA HARIN PARIKH
PARTNER
(M. R. N. 107606)**



ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph 1 or our report of even date on the accounts for the year ended 31st March 2012 of Shilchar Technologies Limited)

- (i) (a) The Company has maintained proper records showing full particulars including Quantitative Details since 2000. As informed to us, the Company is in the process of updating its old records as well as situation of Fixed Assets
- (b) All the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) During the year, Company has not disposed off any of its assets, except an old parcel of land which was lying unused since long.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of accounts.
- (iii) (a) The Company has not granted any loan, secured or unsecured, to Companies, Firms or Other Parties covered in the register maintained u/s. 301 of the Companies Act, 1956 during the year under report. Consequently, no comments are necessary on Para (iii) (b), (c) & (d) of CARO.
- (b) The Company has not taken any loans, secured or unsecured, from Companies, Firms or Other Parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, no comments are necessary on Para (iii) (e), (f) & (g) of CARO.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.
- (v) (a) 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 particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit) Rules, 1975. Hence, the Directives issued by RBI or provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 or the rules framed there under are not applicable.
- (vii) The Company has appointed an independent firm of Chartered Accountants firm to carry out its Internal Audit Function. In our opinion and according to the information and explanations given to us, *prima facie*, the same is commensurate with the size of Company and nature of business.
- (viii) We have broadly reviewed the cost records maintained by the company for its products pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed cost records have been made and maintained. However, we have not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the records of the Company, the Company is 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, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, apart from the above, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other applicable material statutory liabilities were outstanding, as at 31st March, 2012 for a period of more than six months from the date they became payable.

- (b) According to the records of the company, there are no dues of Sales Tax, Income Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty, Cess or other applicable statutory liabilities which have not been deposited on account of any dispute except the following :

Sales Tax Demand of Rs. 3,10,023 for 2006-07

{ Appellate Order received in March 2012 and Company contemplating filing of appeal before Tribunal within 60 days }

Sales Tax Demand of Rs. 24,55,370 raised for 2007-08

{ Assessment Order received in March 2012. The Demand is expected to be reduced to approximately Rs. 8 lacs on giving effect to Appellate Order for 2006-07. Company has preferred further appeal before the Jt. Commissioner of Sales Tax (Appeals) }

- (c) The Company had made a provision of Cess payable under the provisions of Research & Development Cess Act 1986 in the books of erstwhile Shilchar Payton Technologies Ltd. which was amalgamated with the Company w.e.f. 1st April, 2006, after which the liability was appearing in the books of the Company. The amount of such provision was Rs. 3,05,196 which was outstanding for a period of more than six months.

As explained to us, the said amount was not being deposited with RBI in view of a decision of High Court of Calcutta on the above matter and right of the RBI to appeal against the same.

During the year under report, the Company has determined that it is not liable to pay the above cess by obtaining a professional opinion on the same from an independent firm of chartered accountants, in view of which, the said amount has been written off as not being payable.

- (x) The Company does not have any accumulated losses. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.
- (xii) As per information given to us, during the year under report, 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, considering the nature of activities carried on by the Company during the year, the Company is not a Chit fund or a Nidhi / mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of CARO, 2003 are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures or other investments. Accordingly, the Provisions of Clause 4 (xiv) of CARO, 2003 are not applicable.
- (xv) As per the information and explanations given to us, the company not given guarantees for loans taken by others from Banks or Financial Institutions.
- (xvi) Company has not taken or raised new term loans during the year under report.
- (xvii) On the basis of review of utilization of funds which is based on an overall examination of the balance sheet of the Company, related information as made available to us and as represented to us by the Management, we report that as at the Balance Sheet date the funds raised on short-term basis were not been used for long-term investment.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- (xix) During the year under report, the company has not issued any debentures.
- (xx) The Company has not raised any money through public issues during the year under report.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR, NARESH & Co.
CHARTERED ACCOUNTANTS
(F.R.N. 106928W)**

**CA HARIN PARIKH
PARTNER
(M. R. N. 107606)**

*Place : Vadodara
Date : 12th May, 2012*



BALANCE SHEET AS AT 31st MARCH, 2012

	NOTE	YEARENDED AS AT 31.03.2012 Amount Rs.	YEARENDED AS AT 31.03.2011 Amount Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share capital	3	38,134,000	38,134,000
(b) Reserves and Surplus	4	159,894,834	158,360,360
(2) Share Application Money pending allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	4,117,809	9,579,287
(b) Deferred Tax Liabilities (Net)	6	15,177,853	16,101,124
(c) Other Long Term Liabilities	7	-	-
(d) Long-Term Provisions	8	1,704,691	1,603,393
(4) Current liabilities			
(a) Short-Term Borrowings	9	185,309,811	331,391,243
(b) Trade Payables	10	291,463,183	275,396,622
(c) Other Current Liabilities	11	23,531,286	19,513,072
(d) Short-Term Provisions	12	5,216,024	8,958,439
TOTAL		724,549,491	859,037,540
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible assets		190,306,126	142,767,622
(ii) Intangible assets		2,117	4,509
(iii) Capital work-in-progress		-	-
(b) Non-Current Investments	14	7,007,000	7,007,000
(c) Long-Term Loans and Advances	15	1,685,650	21,617,555
(d) Other Non-Current Assets	16	-	-
(2) Current Assets			
(a) Current Investments	17	-	-
(b) Inventories	18	128,508,038	175,556,135
(c) Trade Recievables	19	339,840,418	440,669,262
(d) Cash and Cash Equivalents	20	40,266,406	35,917,149
(e) Short-Term Loans and Advances	21	14,751,257	34,235,634
(f) Other Current Assets	22	2,182,479	1,262,674
TOTAL		724,549,491	859,037,540

As per our report attached of even date

For **NARESH & CO.**
CHARTERED ACCOUNTANTS
FRN : 106928W

CA HARIN PARIKH
PARTNER
Mem No. 107606

Place : Bil, Vadodara
Date : 12th May 2012

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH
M.D.

O P KHANNA
DIRECTOR

Place : Bil, Vadodara
Date : 12th May 2012

**STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2012**

	NOTES	YEARENDED AS AT 31.03.2012 Amount Rs.	YEARENDED AS AT 31.03.2011 Amount Rs.
I. Revenue From Operations	28	829,416,088	934,709,110
II. Other Income	29	5,573,930	8,705,009
III. Total Revenue (I + II)		834,990,018	943,414,119
IV. Expenses:			
Cost of Materials Consumed	30	654,673,381	756,257,314
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods	31	17,722,300	(10,993,032)
Work-in-Progress and Stock-in-Trade			
Employee Benefits Expenses	32	23,423,355	25,334,661
Financial Costs	33	40,226,068	36,591,893
Depreciation and Amortization Expenses	13	10,696,357	9,886,594
Other Expenses	34	82,273,560	108,606,221
Total Expenses		829,015,021	925,683,651
V. Profit Before Exceptional and Extra Ordinary Items & Tax (III - IV)		5,974,997	17,730,468
VI. Exceptional items		-	-
VII. Profit before Extraordinary Items & Tax (V - VI)		5,974,997	17,730,468
VIII. Extraordinary Items			
Add: Interest on Income tax Refunds		-	161,142
Add: Excess Provision for Expenses Written Back		333,366	38,321
Less: Foreign Currency Monetary Item Translation Difference Account Written Off		-	246,933
Less: Prior year's Income Tax Adjustment		43,708	(225,286)
IX. Profit Before Tax (VII - VIII)		6,264,655	17,908,284
X. Tax expense :			
(1) Current tax		3,000,000	6,735,000
(2) Deferred tax		(923,271)	(446,604)
XI. Profit/(Loss) from Continuing Operations (VII-VIII)		4,187,926	11,619,888
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/(loss) from Discontinuing Operations (after tax) (XII - XIII)		-	-
XV. Profit / (Loss) for the Period (XI+XIV)		4,187,926	11,619,888
XVI. Earning per Equity Share:			
(1) Basic		1.10	3.05
(2) Diluted		1.10	3.05
Notes Forming Part of the Accounts	1-53		

As per our report attached of even date

For **NARESH & CO.**
CHARTERED ACCOUNTANTS
FRN : 106928W

CA HARIN PARIKH
PARTNER
Mem No. 107606

Place : Bil, Vadodara
Date : 12th May 2012

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH
M.D.

O P KHANNA
DIRECTOR

Place : Bil, Vadodara
Date : 12th May 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

Sr.	Item	For the Year ended 31.3.2012 Rupees	For the Year ended 31.3.2011 Rupees
A.	Cash flow from Operating Activities :		
	<i>Net Profit before Tax & Extra Ordinary Items</i>	5,974,997	17,730,469
	Adjustment for :		
	Depreciation & Write-offs	10,696,357	9,886,594
	Deferred Revenue Expenses (FCMITD Write Off)	-	(246,933)
	Prior Period Adjustments	1,082,970	724,696
	Loss/(Profit) on Sale of Investments/Assets	73,737	(228,340)
	Foreign Currency Monetary Item Translation Diff.	-	22,858
	Interest	40,226,068	33,790,106
	<i>Operating Profit before Working Capital Changes</i>	58,054,129	61,679,450
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	100,828,844	(119,191,708)
	(Increase)/Decrease in Inventories	47,048,097	(16,473,059)
	(Increase)/Decrease in Loans & Advances (Trade)	11,298,965	(4,223,100)
	Increase/(Decrease) in Trade Payable	16,066,561	25,685,228
	Increase/(Decrease) in Other Current Liabilities	4,119,512	(13,874,063)
	<i>Cash Generated from Operations</i>	237,416,108	(66,397,252)
	Interest Paid	40,226,068	33,790,106
	Direct Taxes Paid (Net of Refund)	(418,804)	8,619,157
	<i>Cash Flow before Extra Ordinary Items</i>	197,608,844	(108,806,515)
	Extra Ordinary Items	333,366	446,396
	Prior Period Items (being cash items)	(1,082,970)	(724,696)
	Net Cash Flow from Operating Activities	196,859,240	(109,084,815)
B.	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(39,017,634)	(25,078,174)
	Net Proceeds from Sale of Fixed Assets	274,000	350,000
	Dividend Received	-	-
	Investments	-	-
	Sale of Investments	-	-
	Net Cash used in Investment Activities	(38,743,634)	(24,728,174)
C.	Cash Flow from Financing Activities		
	External Commercial Borrowings (net of repayment)	(4,866,751)	(5,387,083)
	Increase/(Decrease) in Short Term Borrowings	-	-
	Increase/(Decrease) in Bank Borrowings	(146,676,159)	156,902,790
	Dividend Paid (incl. Tax Thereon)	(2,223,439)	(4,461,613)
	Net Cash used in Financing Activities	(153,766,349)	147,054,094
D.	Net Increase/(Decrease) in Cash and Cash Equivalents	4,349,257	13,241,105
	Cash and Cash Equivalents at beginning of the year	35,917,149	22,676,044
	Cash and Cash Equivalents at the end of the year	1,309,504	2,835,343
	Earmarked balances with banks (Margin Money)	38,956,902	33,081,806
	Cash & Bank balances at the end of the year	40,266,406	35,917,149

As per our report attached of even date

For **NARESH & CO.**
CHARTERED ACCOUNTANTS
FRN : 106928W

CA HARIN PARIKH
PARTNER
Mem No. 107606

Place : Bil, Vadodara
Date : 12th May 2012

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH
M.D.

O P KHANNA
DIRECTOR

Place : Bil, Vadodara
Date : 12th May 2012

Notes Forming Part of the Financial Statements

1. General Information of the Company.

SHILCHAR TECHNOLOGIES LIMITED ("the Company"), incorporated in the year 1986 is a Vadodara, Gujarat, based **ISO 9001:2008** profit making and dividend paying Public Limited Company engaged in the business of manufacturing of "Distribution & Power Transformers" as well "Electronics & Telecommunication Transformers."

The Company made its public issue in the year 1995 and is listed on Mumbai Stock Exchange and Vadodara Stock Exchange.

2. Significant Accounting Policies

a. Basis of Preparation of Financial Statements

The Accounts are prepared under the historical cost convention and using the accrual method of accounting, unless otherwise stated hereinafter, to comply in all material aspects, with the mandatory accounting standards as notified by the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 and in conformity with accounting principles generally accepted in India. Accounting Policies, not specifically referred to, are consistent and in consonance with generally accepted accounting principles.

b. Use of Estimates :

The Preparation and Presentation of Financial Statements as per the above bases required the management to make estimates and assumptions that may affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the balance sheet and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimated.

c. Fixed Assets

Fixed Assets (as well as intangible assets, not being internally generated assets) are generally stated at cost of acquisition net of accumulated depreciation. Certain Fixed Assets which were revalued in 1995 are stated at the revalued cost.

Costs of subsequent expenditures relating to an item of fixed assets are added to its book value if they make a substantial addition to its value or increase the future benefits from the same beyond their previously assessed standard of performance.

Cost includes taxes, duties, freight and other incidental expenses incurred to bring the asset to its present location and condition, but excluding the element of excise duty for which CENVAT credit has been availed.

d. Depreciation / Amortisation :

Depreciation on Fixed assets, other than Freehold Land and Capital Work-in-Progress is being provided on the Straight Line Method in accordance with the provisions of Section 205(2)(a) and according to the classification and at the rates specified in Schedule XIV to the Companies Act, 1956 on pro-rata basis for period of use during the year.

Additions made to Plant & Machinery, the value of which is less than Rs. 5,000 each and where the aggregate of such additions made during the year does not exceed ten percent of the Gross Block of Assets, have been written off 100 %.

Depreciation on increase in value of the Fixed Assets on account of Revaluation is charged against Revaluation Reserve. Consequently the depreciation charge for the year shown in the Statement of Profit and Loss is after deducting Rs. 4,37,428 (2011 : Rs. 10,88,256) representing depreciation on the Revalued Portion.

Computer Software (acquired intangible asset) is amortized considering a useful life of 5 years as estimated by the Management based on the nature of the Software.

e. Revenue Recognition

Revenue is recognized on transfer of property in goods or on transfer of significant risks and rewards of ownership to the buyer, for a consideration, without the seller retaining any effective control over the goods.

Sales are accounted on dispatch of goods (which generally coincides with the transfer of ownership) and are net of trade discounts, rebates, excise duties and sales tax. Sales as disclosed in the Statement of Profit and Loss include Job-Work income.

Interest Income is recognized on a time proportionate basis including interest accrued based on the amount outstanding and rate applicable and shown under "Other Income"

Income from duty drawback as well as other major items of income are accounted on accrual basis (depending on certainty of realization) and are disclosed separately under the head "Other Income".

f. Research and Development Cost

Research and development cost, where applicable, includes the salary and perquisites offered to Company personnel directly involved with this activity and any other expense directly identifiable with this activity and same are charged to Statement of Profit and Loss during the year.



g. Inventories

Inventories are valued at the lower of cost or estimated net realisable value. The cost method employed is FIFO. Valuation of Work-in-Progress is made based on combination of Standard Price Basis (Retail Method) and method using cost of material and proportionate amounts for direct labour, direct expenses and production overheads based on stage of completion. Finished Goods, other than those bought for resale, are valued on Standard Price Basis (Retail Method). Estimations of Cost and Margin under Retail Method for Finished Goods and Work-in-Progress are as made by the management based on combined use of specific order values and overall product margins on a year-to-year basis.

h. Investments

Investments are classified as current and long term investments. Current Investments are those that are not intended to be held for more than one year from the date of investment. All other investments are classified as long-term investments.

Long term investments are stated at cost. Provision for diminution in the value of such investments is made to recognize a decline, other than temporary, in their value. Current investments, where applicable, are valued at lower of cost or fair value.

i. Foreign Currency Transactions

Transactions in foreign currency, to the extent not covered by forward contracts, are recorded in Indian Rupees at the exchange rate prevailing on the date of the transactions. Exchange gains or losses on settlement, if any, are normally treated as income or expenditure respectively in the Statement of Profit and Loss.

Liabilities in foreign currency as well as receivables in foreign currency, being monetary items, as on the date of the Balance Sheet have been restated into Indian rupees at the rates of exchange prevailing as on the date of Balance Sheet. Non Monetary items, if any, which are carried in terms of historical cost denominated in Foreign Currency are reported using the exchange rate at the date of transaction.

j. Derivatives

Currency Derivatives :

The Company is exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company tries to limit the effects of foreign exchange rate fluctuations by following risk management policies including use of derivatives. For this the Company enters into forward exchange contracts, where the counter-party is a Bank. These forward contracts are not used for trading or speculation purposes.

In case of forward contracts the gain or loss arising on exercise of option or settlement or cancellation are recognized in the Statement of Profit and Loss for the period. The forwards contracts outstanding as at the balance sheet date, are stated at their fair value by marking them to the market and the corresponding exchange gain or loss recognized on the same.

Commodity Derivatives :

The Company is exposed to fluctuations in the prices of its raw materials. In case of principal raw materials such as copper, aluminium, oil etc, the risks on costing of the Company's products on account of fluctuations in prices of these materials is quite high. The Company tries to limit the effects of fluctuations in prices of these critical materials by following risk management policies including use of derivatives. For this, the Company enters into derivative buy or sell contracts for these commodities on the MCX Exchange. These contracts are generally not used for trading or speculation purposes. However, on few occasions, Company enters into derivative contracts for other commodities to try and offset losses, if any, in other commodity derivative contracts, in which case, the gains or losses on the same are treated as speculative in nature.

In case of such derivative contracts, the gain or loss arising on exercise of option or settlement or cancellation are recognized in the Statement of Profit and Loss for the period. The derivative contracts outstanding as at the balance sheet are marked-to-market and corresponding gain or loss recognized on the same.

k. Retirement Benefits

Employee Benefits comprise short term as well as long term defined benefit as well as defined contribution plans.

Contributions to Provident Fund are defined contributions. The Company's Contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no further obligations beyond the periodic contributions.

Retirement Benefits in form of Gratuity are defined benefit obligations and are provided for on the basis of actuarial valuation using projected unit credit method as at the balance sheet date. Actuarial gain / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

Entitlement of employees accumulating earned leave and eligibility of compensation or encashment of the same is also a defined benefit obligation and is treated as long term in nature in terms of the policies of the Company for the same. The value of obligation towards the same is provided for on the basis of actuarial valuation using projected unit credit method as at the balance sheet date. Actuarial gain / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

i. Borrowing Costs

General or specific borrowing costs directly attributable to purchase / construction or production of qualifying assets are capitalized as part of the cost of that Fixed Asset. A qualifying asset is one that necessary takes substantial period of time to get ready for its intended use. All other borrowing costs are charged as an expense in the period in which they are incurred.

m. Taxes on Income

Provision for taxation for the year under report includes provision for current tax as well as provision for deferred tax.

Provision for Current Tax is made, based on tax estimated to be payable as computed under the various provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to prudence, on timing differences between taxable income and accounting income that originate during the year and are capable of being reversed in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty (and in case of unabsorbed depreciation or losses under tax laws, a virtual certainty) that future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Liabilities / Assets are quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

n. Impairment of Assets :

Assessment of Impairment of Assets (as covered under AS-28 Impairment of Assets) is done as at the Balance Sheet Date considering external and internal impairment indicators. If there is an indication that an asset may be impaired, its recoverable amount is estimated and the excess of carrying amount over recoverable amount is provided for as impairment loss.

o. Leases :

Assets acquired on lease where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operation leases. Lease Rentals relating thereto are charged off to the Statement of Profit and Loss.

p. Contingencies / Provisions :

Contingencies which can be reasonably ascertained are provided for i.e. a provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reasonable estimate can be made. Provisions are not discounted to their present value and 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.

Other Contingencies, the outcome of which is not certain, have been disclosed in these notes as Contingent Liabilities. Contingent Assets have not been provided for.

q. Changes in Accounting Policies, having a material bearing on the financial affairs of the Company are disclosed separately along with the amount by which any item in the financial statements is affected by such change wherever same is available.

Share Capital :

	As At March 31st , 2012	As At March 31st , 2011
(a) Authorised 50,00,000 Shares of Rs.10/- each	50,000,000	50,000,000
(b) Issued, Subscribed and Paid-up Capital 38,13,400 Equity Shares of Rs.10/- Each Fully Paid-up (Previous year 38,13,400 Equity Shares of Rs.10/- each Fully Paid-up)	38,134,000	38,134,000
TOTAL RS.	38,134,000	38,134,000

(c) Reconciliation of Number of Shares

Particulars	As at 31 st March, 2012		As at 31 st March, 2011	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Equity Shares				
Balance at the beginning	38,13,400	3,81,34,000	38,13,400	3,81,34,000
Addition / (Reduction)	—	—	—	—
Balance at the end	38,13,400	3,81,34,000	38,13,400	3,81,34,000

(d) The Company has a single class of equity shares which are having par value of Rs. 10 per equity share. All shares rank pari passu with reference to all rights relating thereto. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportions to their shareholding.

(e) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder of Equity Shares	As at 31 st March, 2012		As at 31 st March, 2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Alay Jitendra Shah	810270	21.25	810270	21.25
Charulata Ashesh Shah	423900	11.12	423900	11.12
Shilpa Alay Shah	391070	10.26	391070	10.26
Aatman Alay Shah	300000	7.87	300000	7.87
Aashay Alay Shah	300000	7.87	300000	7.87
Alay Jitendra Shah (HUF)	274825	7.21	274825	7.21
Shah Family LLC.	571150	14.98	571150	14.98
Custom Magnetics Inc.	425950	11.170	425950	11.170

(f) Forfeited Shares :

Total No. of Shares Forfeited – 5,21,900 Nos.

Amount originally paid up – Rs. 5 per share aggregating to Rs. 26,09,500.

4. Reserves & Surplus :

	As At March 31 st 2012	As At March 31 st 2011
Capital Reserves :		
Capital Reserves on Amalgamation of Shilchar Core Ltd & Shilchar Payton Technologies Ltd.	13,756,439	13,756,439
Securities Premium Reserve	30,657,265	30,657,265
Revaluation Reserve		
Opening Balance	4,240,140	5,328,396
Less Depreciation adjusted	437,428	1,088,256
Balance at Quarter/Year end.	3,802,712	4,240,140
Share Forfeiture Account	2,609,500	2,609,500
(5,21,900 Nos. of Equity Shares @ Rs. 5 Originally Paid up)		
Subsidy	424,648	424,648
General Reserves	10,359,273	10,359,273
Surplus in Statement of Profit and Loss		
Opening Balance	96,313,095	86,916,646
Profit / (Loss) During the Year	4,187,926	11,619,888

Balance Available for Appropriation	100,501,021	98,536,534
Less : Appropriations		
Proposed Dividend on Equity shares	1,906,700	1,906,700
Corporate Dividend Tax on Above	309,324	316,739
Balance at Year end.	98,284,997	96,313,095
TOTAL RS.	159,894,834	158,360,360

5. Long - Term Borrowings :

	As At March 31st 2012	As At March 31st 2011
Secured		
Vehicle Loan (From HDFC Bank against Hypothecation of Car) (Repayable in 36 Equated Monthly Installments of Rs. 60474 each from 31/12/2010 including interest @ 9.0616 p.a.)	1,118,310	1,713,037
Unsecured		
Foreign Currency Loan (From Others) (Repayable in 12 Equated Quarterly Installments of 29166.67 USD each alongwith interest @ 6.62 p.a.)	2,999,499	7,866,250
TOTAL RS.	4,117,809	9,579,287

Long Term Unsecured Loans represent balance out of the External Commercial Borrowings (ECB's) obtained by the Company from one of its Foreign Equity holders to the tune of US\$ 350000 for the purpose of its erstwhile expansion project in terms of relevant rules of the Reserve Bank of India. Company had initially obtained deferment on repayment of the balance of the principal amount. However, Company has started repayment of the Loan as per installments agreed upon. The interest as well as exchange rate difference is being duly provided on the balance amounts.

6. Deferred Tax Liabilities (Net) :

	As At March 31st 2012	As At March 31st 2011
Major Components of Deferred Tax Balances are as under :		
Deferred Tax Liabilities (difference between accounting and tax depreciation)	15,731,025	16,633,731
Deferred Tax Assets (liabilities provided in books but allowable for tax purposes when actually paid)	553,172	532,607
NET TOTAL RS.	15,177,853	16,101,124

Deferred Tax Assets on Account of Provision for Diminution in Value of Investments are not recognized since there is no reasonable certainty that Company will have future taxable capital gains income against which such deferred tax assets can be realized.

7. Other Long - Term Liabilities :

	As At March 31st 2012	As At March 31st 2011
(a) Trade Payables	-	-
(b) Others	-	-
TOTAL RS.	-	-



8. Long-Term Provisions :

	As At March 31st 2012	As At March 31st 2011
Provision for Employee Benefits		
(a) Provision for Gratuity (Net)	746,038	603,171
(b) Provision for Leave encashment	958,653	1,000,222
Others	-	-
TOTAL RS.	1,704,691	1,603,393

9. Short - Term Borrowings :

	As At March 31st 2012	As At March 31st 2011
Secured :		
From Banks for Working Capital : (Repayable on Demand)		
From Bank of Baroda		
Cash Credit (Against Hypothecation of Stocks and Book Debts)	99,639,886	100,714,197
EPC/FBD/PCFC/FCBD Account (Secured against Export Orders and Stock of Export)	10,058,549	15,154,277
From Standard Chartered Bank		
Cash Credit/WCDL/Bill Disc (Against Hypothecation of Stocks & Book Debts)	19,249,603	65,029,206
EPC/FBD/PCFC/FCBD Account (Secured against Export Orders and Stock of Export)	6,700,025	-
From Kotak Mahindra Bank Ltd		
Bill Discounting (against LCs of Customers duly confirmed by their / our Bankers)	49,661,748	107,485,016
From ICICI Bank Ltd		
Bill Discounting (against LCs of Customers duly confirmed by their Bankers)	-	14,513,276
Unsecured :		
For Working Capital :		
From L & T Finance Ltd		
Bill Discounting (against supplies to L & T Ltd)	-	28,495,271
TOTAL RS.	185,309,811	331,391,243

The Bank facilities of Working Capital being Cash Credit, Export Packing Credit and other Facilities obtained from Bank of Baroda are secured by Hypothecation of Stocks, Book Debts, Extension of charge on Current Assets for Letters of Credit, Hypothecation of Plant and Machinery (both present and future) and Equitable Mortgage of entire Factory Land and Building including Corporate Office of the Company. The Bank Facilities of Working Capital being Cash Credit Facilities, Working Capital Demand Loans and other facilities obtained from Standard Chartered Bank are secured by way of a pari passu charge on the above assets of the Company. The Bills discounting facilities obtained from Kotak Mahindra Bank and ICICI Bank are against LC's of customers duly confirmed by their respective bankers

10. Trade Payables :

	As At March 31st 2012	As At March 31st 2011
Payable to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006	139,478,402	79,888,884
Trade Payables to Others	151,984,781	195,507,738
TOTAL RS.	291,463,183	275,396,622

Micro and Small Enterprises :

With reference to amounts shown as payable to Micro, Small and Medium Enterprises, the information has been compiled in respect of parties to the extent they could be identified as Micro, Small and Medium Enterprises on the basis of information collected and available with the Company and same has been relied upon by the auditors. The Company deals with various Micro Small and Medium Enterprises on mutually accepted terms and conditions. No interest is payable if the mutual terms are adhered to by the Company.

Accordingly, no interest has been paid during the year and further no provision for interest payable to such units is required or has been made under Micro, Small and Medium Enterprises Development Act, 2006. Hence, information as required under Schedule VI of the Companies Act, 1956 relating to delayed payments and interest on delayed payments to Micro, Medium and Small Enterprises has not been compiled and presented.

11. Other Current Liabilities :

	As At March 31st 2012	As At March 31st 2011
(a) Interest Accrued but not due on Borrowings	16,865	44,228
(b) Interest Accrued and due on Borrowings	-	-
(c) Income Received in Advance (Interest on LC)	568,595	180,152
(d) Unpaid Dividends	93,115	82,022
(e) Advances Received from Customers	13,756,337	9,291,639
(f) Other Payables :		
- Security Deposits	276,000	442,500
- Statutory Liabilities	469,413	996,968
- Other Expenses Payable	8,295,848	8,350,859
- Other Current Liabilities	55,113	124,704
TOTAL RS.	23,531,286	19,513,072

Advances received from customers include credits in the Bank Accounts of the Company not identifiable with a particular party. The same are adjusted against the relevant parties on receipt of information / confirmation of balances with the said parties.

12. Short - Term Provisions :

	As At March 31st 2012	As At March 31st 2011
(a) Provision for Employee Benefits	-	-
(b) Provision for Current Taxation	3,000,000	6,735,000
(c) Provision for Proposed Dividend (2011-12)	1,906,700	1,906,700
(d) Provision for Corporate Dividend Tax (2011-12)	309,324	316,739
TOTAL RS.	5,216,024	8,958,439

14. Non – Current Investments :

	As At March 31st 2012	As At March 31st 2011
Investment in Equity Instruments		
Trade, Unquoted, At Cost		
E-Cube India Solutions Ltd. (Company under the same Management) (Fully Paid-up Equity Shares)	7,007,000	7,007,000
Non Trade, Quoted, At Cost (net of provision for diminution)	-	-
TOTAL RS.	7,007,000	7,007,000
Aggregate Provision for Diminution in Value of Investments	990,615	990,615

**Schedule - E
Fixed Assets**

NOTE NO. : 13

Particulars	Gross Block				Depreciations						Net Block			
	As At 01.04.2011	Addition During the year Cost	Deduction/ Adjustment during the year		As At 31.03.2012 Cost	As At 01.04.2011 Cost	For the year		Total	Adjustment/ Deduction during the year		As At 31.03.2012	As At 31.03.2012	As At 31.03.2011
			Cost	Revaluation			Cost	Revaluation		Cost	Revaluation			
Land	9,483,292	58,062,817	-	-	67,546,109	-	-	-	-	-	-	-	67,546,109	9,483,292
Office Building	4,400,000	-	-	-	4,400,000	760,816	71,916	-	832,732	-	-	832,732	3,567,268	3,639,184
Factory Building	57,125,972	-	-	-	57,125,972	18,961,528	1,472,547	437,428	20,871,503	-	-	20,871,503	36,254,469	38,164,444
Plant & Machinery	129,969,989	927,804	-	-	130,897,793	60,913,473	6,153,128	-	67,066,601	-	-	67,066,601	63,831,192	69,056,516
Windmill	15,944,789	-	-	-	15,944,789	3,648,937	844,191	-	4,493,128	-	-	4,493,128	11,451,661	12,295,852
Computers	6,861,097	27,013	-	-	6,888,110	6,279,409	520,274	-	6,799,683	-	-	6,799,683	88,427	581,688
Furnitures & Fixtures	17,340,428	-	-	-	17,340,428	11,575,976	1,095,181	-	12,671,157	-	-	12,671,157	4,669,271	5,764,452
Vehicles	6,331,459	-	778,079	-	5,553,380	2,549,248	536,728	-	3,085,976	430,342	-	2,655,634	2,897,746	3,782,211
Total	247,457,026	59,017,634	778,079	-	305,696,576	104,689,387	10,693,965	437,428	115,820,780	430,342	-	115,390,450	190,306,126	142,767,639
Previous Year	243,217,915	5,078,174	839,068	-	247,457,021	94,435,581	9,882,970	1,088,256	105,406,807	717,408	-	104,689,400	142,767,640	148,782,334

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**Part of Schedule - E
Fixed Assets - Intangible Assets**

Particulars	Gross Block				Amortisation						Net Block			
	As At 01.04.2011	Addition During the year Cost	Deduction/ Adjustment during the year		As At 31.03.2012 Cost	As At 01.04.2011 Cost	For the year		Total	Adjustment/ Deduction during the year		As At 31.03.2012	As At 31.03.2012	As At 31.03.2011
			Cost	Revaluation			Cost	Revaluation		Cost	Revaluation			
Softwares	482,325	-	-	-	482,325	477,816	2,392	-	480,208	-	-	480,208	2,117	8,133
Total	482,325	-	-	-	482,325	477,816	2,392	-	480,208	-	-	480,208	2,117	8,133
Previous Year	482,325	-	-	-	482,325	474,192	3,624	-	477,816	-	-	477,816	4,509	8,133

Notes :

1. Land included Land at Dabhasa which is pending to be transferred to the name of the Company.
2. Additions to Assets which are less than Rs. 5000 each in value are written off fully in the year of addition itself. Total value of such fully depreciated assets in the above schedule is Rs. 10,10,023/-

15. Long - Term Loans & Advances (Unsecured, Considered Good) :

	As At March 31st 2012	As At March 31st 2011
(a) Capital Advances (For Acquisitions of Land)	-	20,000,000
(b) Security Deposits	1,685,650	1,617,555
(c) Other Loans and Advances	-	-
TOTAL RS.	1,685,650	21,617,555

16. Other Non – Current Assets :

	As At March 31st 2012	As At March 31st 2011
Long-term Trade Receivables	-	-
Others	-	-
TOTAL RS.	-	-

17. Current Investments :

	As At March 31st 2012	As At March 31st 2011
Current Investments	-	-
TAL RS.	-	-

18. Inventories :

Particulars	As At March 31st 2012	As At March 31st 2011
Raw Materials	71,297,747	100,181,267
Work-in Progress	34,120,487	42,570,244
Finished Goods	23,089,804	32,804,624
Others		
TOTAL RS.	128,508,038	175,556,135

Finished Goods

	As At March 31st 2012	As At March 31st 2011
Transformers – E & T	5,661,707	6,978,555
Distribution & Power Transformers	17,428,097	22,868,392
Others	-	2,957,677
TOTAL RS.	23,089,804	32,804,624

Work-in Progress

	As At March 31st 2012	As At March 31st 2011
Transformers – E & T	3,153,980	6,679,893
Distribution & Power Transformers	30,966,507	35,890,351
TOTAL RS.	34,120,487	42,570,244

19. Trade Receivables (Unsecured Considered Good) :

	As At March 31st 2012	As At March 31st 2011
(a) Outstanding for a period exceeding Six Months	60,389,477	21,572,677
(a) Others	279,450,941	419,096,585
TOTAL RS.	339,840,418	440,669,262
Includes amount due from E-Cube India Solutions Ltd { Company under Same Management as defined under erstwhile Sec 370 (1B) of the Companies Act, 1956 }	192,290	215,307

In case of Sundry Debtors outstanding for more than one year, certain sums are outstanding against deductions made on account of quality, late delivery etc. by the parties to whom supplies were made. However, the Management is pursuing the matters with the respective parties and is confident of recovering the amount and hence no provision has been made against the same. Similarly, in case of delayed delivery beyond the stipulated terms of supply order, expected deduction for later delivery based on contractual terms is not provided for since Management is confident of being able to pursue the matters and recovering the amounts, if deducted.

20. Cash & Bank Balances :

	As At March 31st 2012	As At March 31st 2011
Balances with Banks		
- In Current Accounts	1,031,456	2,595,131
- In Dividend Accounts	124,691	115,766
- In Margin Money Deposit Accounts (Maturity within 12 months)	18,613,200	20,291,239
- In Margin Money Deposit Accounts (Maturity after 12 months)	20,343,702	12,790,567
Cash on Hand	153,357	124,446
TOTAL RS	40,266,406	35,917,149

21. Short-Term Loans & Advances (Unsecured Considered Good) :

	As At March 31st 2012	As At March 31st 2011
- EMD's	3,279,500	4,326,000
- Prepaid Expenses	4,445,468	4,771,959
- Advance Paid to Suppliers & Service Providers	1,948,865	2,110,226
- Advance Income Taxes and Refunds Receivable	1,240,218	8,437,730
- Indirect Taxes Recoverable Balances with Revenue Authorities	2,322,089	12,290,137
- Other Short Term Loans & Advances	1,515,117	2,299,582
TOTAL RS.	14,751,257	34,235,634

22. Other Current Assets :

	As At March 31st 2012	As At March 31st 2011
- Interest Accrued but not due	2,182,479	1,262,674
TOTAL RS.	2,182,479	1,262,674

23. Sundry Creditors and Sundry Debtors are as per books and have not been corroborated by circulation / confirmation of balances / reconciliation of accounts. Confirmations of parties concerned, for the amount receivable / due to them as per accounts of the company, are under process of reconciliation and adjustments required, if any, will be made as and when the accounts are settled.

24. In the opinion of the Board, the Current Assets, Loans and Advances which are considered good are expected to realise at least the amount at which they are stated, if realized in the ordinary course of business. Further, in the opinion of the Board, provision of all known liabilities has been adequately made in the accounts and as per management experience and estimates no additional provision is required for guarantees and warranties, liquidated damages etc



25. Contingent Liabilities (to the extent not provided for)

Claims against the Company not acknowledged as debt :

Service Tax Credits Reversed under Protest—Rs. 654717/- (Decision Pending)

CST Demand on receipt of Appellate Order for 2006-07 – Rs. 310023

(Company is contemplating filing appeal before the Tribunal within 60 days)

VAT/CST Demand on Assessment for 2007-08 Rs. 2455370

Demand expected to be reduced to approx. Rs. 800000 on receipt of effect of appellate order for 2006-07. Company has also filed appeal before Jt. Commissioner of Sales Tax (Appeals) against the Assessment Order which is pending.

Demand for 2008-09 by Excise Dept—Rs. 3,40,420/- (disallowance of credit availed). Company has won its appeal before the Asst. Commissioner of Central Excise. However, the Department has preferred further appeal

Legal Case Filed against Company by its Creditors—Rs.1,64,340/-

Legal Case Filed by Company against Debtors with amount still outstanding in books—Rs. 78,780

Guarantees :

The Company has given Corporate Guarantees for Performance of Products to the tune of Rs.1,38,97,990/- (p.y. Rs.96,24,351/-) to EPC Customers being Private Companies.

Bank Guarantees outstanding as on 31st March, 2012, amounted to Rs 19,06,75,639/- (p.y. Rs 11,81,47,311/-) and Letters of Credit outstanding as at 31st March 2012, amounted to Rs 16,54,25,325/- (p.y. Rs. 13,14,79,845/-) against which the company has kept the Margin Money in the form of Fixed Deposit worth Rs. 3,88,79,437/- (p.y. Rs. 3,28,81,715/-).

26. Commitments (to the extent not provided for)

Estimated amt. of contracts remaining to be executed on capital account : Nil (p.y. Rs. 300 lacs)

Other Commitments : Nil

27. Proposed Dividend :

Amount of Rs. 0.50 per Equity Share aggregating to Rs. 1,906,700 is being proposed as dividend on equity shares.

There are no arrears of dividends.

28. Revenue From Operations :

	As At March 31st 2012	As At March 31st 2011
(a) Sale of Products		
- Domestic Sales	836,464,428	931,193,205
- Export Sales	68,639,101	90,452,785
Total Sale of Products	905,103,529	1,021,645,990
(b) Sale of Services	-	-
(c) Other Operating Revenues	-	-
Total Gross Revenues	905,103,529	1,021,645,990
Less : Excise Duty	75,687,441	86,936,880
TOTAL RS.	829,416,088	934,709,110

Sales (Finished Goods)	As At March 31st 2012	As At March 31st 2011
Transformers – E & T	11,10,87,945	13,82,68,920
Distribution & Power Transformers	71,36,41,707	78,41,80,960
Others	46,86,436	1,22,59,229
TOTAL RS.	829,416,088	934,709,110

29. Other Income :

	As At March 31st 2012	As At March 31st 2011
Interest Income	3,247,960	2,801,787
Exchange Rate Difference (net)	-	1,201,977
Exchange Rate Difference On account of borrowings	-	271,287
Profit on Sale of Assets	-	242,875
Discounts and Sundry Balances Appropriated	213,664	1,829,619
Duty Drawback	763,515	-
Insurance Claim	806,658	289,651
Misc. Income	138,992	1,920,812
Prior Period income	403,141	147,001
TOTAL RS.	5,573,930	8,705,009

30. Cost of Material Consumed :

	As At March 31st 2012	As At March 31st 2011
Opening Stock of Raw Materials	100,181,267	95,139,994
Add : Purchases (incl. Custom Duty & Charges)	624,272,508	759,527,118
	724,453,775	854,667,112
Less : Closing Stock of Raw Materials	71,297,747	100,181,267
Raw Materials Consumed	653,156,028	754,485,845
Consumable Store and Spares	1,517,353	1,771,469
TOTAL Rs.	654,673,381	756,257,314

31. Changes in inventory of finished goods and work in progress :

	As At March 31st 2012	As At March 31st 2011
Opening Stock of Finished Goods & Work in Process	75,374,868	63,943,082
Less: Closing Stock of Finished Goods & Work In Process	57,210,291	75,374,868
	18,164,577	(11,431,786)
Differential Excise Duty on Opening & Closing Stock of Finished Goods	(442,277)	438,754
TOTAL RS.	17,722,300	(10,993,032)

32. Employee Benefit Expense :

	As At March 31st 2012	As At March 31st 2011
Salary,Wages, Allowances, Perquisites, Bonus & Others	21,070,270	22,101,750
Contribution to Provident Fund	843,479	885,578
Gratuity	242,957	944,238
Staff Welfare	1,266,649	1,403,095
TOTAL RS.	23,423,355	25,334,661

33. Finance Costs :

	As At March 31st 2012	As At March 31st 2011
Interest to Bank	26,800,216	27,362,076
Interest to Others	2,709,015	2,432,595
Other Borrowing Costs	8,797,182	6,797,222
Borrowing Cost (Exchange Rate Difference)	1,919,655	-
TOTAL RS.	40,226,068	36,591,893

34. Operation & Other Expenses :

	As At March 31st 2012	As At March 31st 2011
(1) Manufacturing Expenses		
Power and Fuel (See note 50)	2,928,032	3,240,377
Manufacturing Processing Cost	36,880,592	52,752,076
Carting, Freight, Octroi Inwards	2,133,078	2,585,253
Other Manufacturing Expenses	341,280	204,728
TOTAL Rs.(a)	42,282,982	58,782,434
(2) Administrative & Other Expenses		
Repairs & Maintenance - Plant and Machinery	1,418,042	782,733
Repairs & Maintenance - Building	80,549	185,090
Repairs & Maintenance - Others	595,229	973,705
Rent, Rates and Taxes	659,819	510,142
Traveling and Conveyance expenses	4,084,066	5,450,736
Communication and Printing expenses	1,338,281	1,795,044
Legal and Professional Fees	2,973,500	4,378,074
Insurance Premium	547,555	520,064
<i>Auditors Remuneration</i>		
Statutory Audit Fees	175,000	100,000
Audit Fees - Sales Tax / VAT Work	55,000	40,000
Audit Fees - Tax Audit	25,000	25,000
Directors Remuneration	2,318,400	2,158,400
Directors Sitting Fees	105,000	113,000
Research and Development Expenses	2,765,723	2,721,734
Donation	148,200	361,000
Lease Rent Paid	300,000	621,000
Prior Period Expenses	1,486,111	871,697
Contractual Deductions and other Bad Debts Written Off	4,918,179	11,005,602
Exchange Rate Difference	2,340,714	-
Loss / (Gain) on Commodity Derivatives	244,675	16,534
Loss on Sale of Assets	73,737	14,535
Security Charges	1,004,206	1,270,667
Other Administrative Expenses	1,622,863	1,386,714
TOTAL Rs.(b)	29,279,849	35,301,471
(3) Selling & Distribution Expenses		
Business Promotion Expenses	963,423	3,464,681
Freight / Clearing & Forwarding Charges on Sales (net of recoveries)	4,241,402	7,608,182
Commission	3,355,924	1,886,750
Exhibition & Seminar Expenses	1,493,886	282,029
Misc. Selling and Distribution Exps	656,094	1,280,674
TOTAL Rs.(c)	10,710,729	14,522,316
TOTAL RS. (1) + (2) + (3)	82,273,560	108,606,221

35. Depreciation & Amortization Expenses :

	As At March 31 st 2012	As At March 31 st 2011
Depreciation on Tangible Assets	10,693,965	9,882,970
Amortization on Intangible Assets	2,392	3,624
TOTAL RS.	10,696,357	9,886,594

36. C.I. F. Value of Imports

Item	2011-2012	2010-2011
Raw Materials	2,02,39,578	2,99,42,735
Silicon Steel	1,28,48,955	3,49,14,955
Total	3,30,88,533	6,48,57,690

37. Expenditure in Foreign Currency

Item	2011-2012	2010-2011
Foreign Travel	1,00,128	2,58,040
Inspection, Machinery Imports and Others	18,626	3,34,426
Interest on External Commercial Borrowings & FLC	5,08,791	8,76,891
Total	6,27,545	14,69,357

38. Consumption of Raw Materials

Item	2011-2012		2010-2011	
	Amount	Percentage	Amount	Percentage
Imported	3,39,21,294	5.19	6,72,25,433	8.89
Indigenous	62,07,52,087	94.81	68,90,31,881	91.11
Total	65,46,73,381	100.00	75,62,57,314	100.00

Class of Goods	2011-2012		2010- 2011	
	Amount	Percentage	Amount	Percentage
Silicon Steel	13,72,42,502		21,08,45,776	
Copper Wire	19,41,92,860		20,12,50,438	
Aluminium	3,34,56,510		3,87,29,552	
Transformer Oil	7,41,76,734		7,79,04,409	
Others	21,56,04,775		22,75,27,137	
Total	65,46,73,381		75,62,57,314	

39. Dividends to Non-Resident Shareholders

Particulars	2011-2012	2010-2011
Net Dividend paid in Foreign Currency (stated in Rupees)	4,98,550	9,97,100
Number of non-resident shareholders	2	2
Number of equity shares held by such non resident shareholders	571,150	425,950

40. Earnings in Foreign Currency

Particulars	2011-2012	2010-2011
Export of Goods on FOB basis Amount realized during the year Rs 8,39,51,896/- (Previous Year Rs.12,71,42,337/-)	6,82,69,653	9,39,34,968

41. Post Employment Benefits:

Provident Fund dues amounting to Rs. 8,43,479 (PY Rs. 8,85,579) paid during the year being defined contributions has been charged to the Statement of Profit and Loss.

The value of obligation towards entitlement of employees accumulating earned leave and eligibility of compensation or encashment of the same is determined on the basis of the expected amount required to be paid as a result of actual

unused entitlement standing to the credit of the employees as at end of the year based on current salary standards measured by actuarial valuation using projected unit credit method as at the balance sheet date. Accordingly a sum of Rs. 9,58,653 (p.y. Rs. 10,00,222) has been determined as obligation as at the year end. The differential of Rs. 523,136 (p.y. 689,439) between the obligation as at the end of previous year, compensation paid during the year and the obligation as the year end has been charged to the Statement of Profit and Loss.

The Company has a defined benefit gratuity plan. As per the Payment of Gratuity Act, 1972, every employee who has completed five or more years of service is eligible for gratuity @ 15 days salary (last drawn) for every completed year of service with an overall ceiling of Rs. 10,00,000 (PY Rs. 3,50,000) at the time of separation from the Company or retirement whichever is earlier. The Company has taken a Group Gratuity cum Life Insurance Policy from Life Insurance Corporation of India (a qualifying policy) and makes annual contributions to the same to create a fund to meet this defined benefit gratuity obligation.

Change in Present Value of Defined Benefit Obligation	As At March 31st 2012	As At March 31st, 2011
Present Value of Obligations as at beginning of the Year	3,063,682	21,74,193
Interest Cost	245,095	1,73,935
Current Cost	222,244	1,50,187
Benefits Paid	(205,077)	(2,66,109)
Actuarial (gains) / losses on obligation	(3387)	8,31,476
Present Value of Obligations as at the end of the Year	3,322,557	30,63,682
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning of the Year	2,460,601	22,82,029
Expected Return on Plan Assets	220,995	2,11,360
Contributions	100,000	2,33,321
Benefits Paid	(205,077)	(2,66,109)
Actuarial (gains) / losses on Plan Assets	Nil	Nil
Fair Value of Plan Assets as at the end of the Year	2,576,519	24,60,601
Defined Benefit Obligation as recognized in Balance Sheet		
Present Value of Obligations as at the Year end	3,322,557	30,63,682
Unrecognized Past Service Cost	Nil	Nil
Fair Value of Plan Assets as at the Year end	2,576,519	24,60,601
Net (Asset) / Liability recognized in Balance Sheet	746,038	6,03,081
Net Gratuity Benefit Expenditure Recognized in P&L		
Current Service Cost	222,244	1,50,187
Interest Cost	245,095	1,73,935
Expected Return on Plan Assets	(220,995)	(2,11,360)
Net Actuarial (Gain) / Loss Recognized in the Year	(3387)	8,31,476
Net Expense Recognized in Statement of Profit and Loss	242,957	9,44,238
Principal Assumptions Used		
Discount Rate	8%	8%
Expected Return on Plan Assets	9%	9%
Salary Escalation Rate	7%	7%
Major Categories of Plan Assets		
Insurer Managed Funds	100%	100%

42. Segment Reporting

With respect to Accounting Standard-17, the Management of the Company is of the view that the products offered by the Company are in the nature of Transformers and its related products, having the same risks and returns, same type and class of customers and regulatory environment. Hence, the business of production and sale of transformers and its related products belong to one business segment only.

43. Disclosure as per Accounting Standard 19 on "Accounting for Leases"

The Company has obtained certain premises and equipment on lease / leave and license basis. All the agreements fall under operational leases as per the accounting and recognition policy of the Company.

Particulars	31.03.2012 Rs. in lacs	31.03.2011 Rs. in lacs
⇒ Lease Payments recognized in the Statement of Profit and Loss	3,00,000	6,21,000
⇒ In respect of one agreement, refundable interest free deposits have been given	Nil	Nil

44. Earnings Per Share

In line with Accounting Standard 20 - Earnings Per Share issued by the ICAI the following disclosures are given below:

Particulars	Unit	2011-2012	2010-2011
Amount used as numerator			
Profit after Taxation	Rs.	41,87,926	1,16,19,889
Weighted average number of equity shares used as denominator	No.	38,13,400	38,13,400
Nominal Value of Shares	Rs.	3,81,34,000	3,81,34,000
Earnings Per Share	Rs.	1.10	3.05

Weighted Average Number of Equity Shares
 $38,13,400 * 12/12 = 38,13,400$ (P.Y. 38,13,400)

45. Related Party Transactions

The Company has identified all the related parties having transactions during the year, as per details given below, in line with Accounting Standard-18. In respect of the outstanding balance receivable as on 31.3.2012 no provision for doubtful debts / advances is required to be made.

Name of related party	Nature of Relationship	Nature of Transaction	Volume of Transaction (Rs.)		Year end Balance (Rs.)	
			2012	2011	2012	2011
E-Cube India Solutions Ltd.	Associate	Administration Expenses Recovered (net)	NIL	Nil	1,76,798	1,76,798
		Sales	29,235	97,431	15,492	38,509
Mr. Alay Shah	Key Management Person	Managerial Remuneration	23,18,400	21,58,400	1,58,000	1,33,000
Mr. Ashesh Shah	- do -	Professional Fees	15,00,000	15,00,000	1,24,088	1,24,088
Mrs. Shilpa Shah	Relative of Key Management Person	Remuneration (HRD Manager)	6,37,200	6,37,200	59,900	53,100
		Perquisite of Electricity	1,52,132	1,59,133	Nil	Nil
		Lease rent paid	3,00,000	5,40,000	22,500	45,000
Mr. Jitendra Shah	Key Management Person	Lease Rent Paid	Nil	Nil	Nil	Nil
		Lease Deposit	Nil	Nil	5,00,000	5,00,000

46. Impairment of Assets:

As a tool to measure to the value of fixed assets, the Company has considered the technical Valuation carried out by expert in the recent. In terms of the valuation report and further in absence of any indications, external or internal, as to any probable impairment of assets, no provision has been made for the same during the year under report. However, Valuation relating to Delhi Office and Furniture has not been obtained and hence it is not possible to determine the impairment, if any, on account of those assets.



47. Derivative Instruments and Unhedged Foreign Current Exposure :

Particulars of Derivatives	Purpose
Forward Contract Outstanding on 31 st March, 2012 Nil (P.Y. Nil)	Nil

Particulars of Un-hedged Foreign Currency Exposure	31.03.2012 Rs.	31.03.2011 Rs.
⇒ Sundry Creditors	96,70,037	81,58,005
⇒ Sundry Debtors	82,22,954	1,07,01,077
⇒ External Commercial Borrowings	29,99,499	78,66,250
⇒ Packing Credit in Foreign Currency (USD)	1,44,70,565	1,16,57,735
⇒ Packing Credit in Foreign Currency (EURO)	22,88,010	34,96,541

48. The Company did not have any forward contracts outstanding as at the year and hence no need for recognizing any mark-to-market losses in term of ICAI announcement dtd. 29th March, 2008 on "Accounting for Derivatives"

49. The Company has acquired new land for future expansion purposes. Company has been making payments of the total determined consideration in installments since the previous financial year. The acquisition of land took a substantial period of time. Hence, after more than 6 months had elapsed from the payment of the first installment, the Company decided to capitalise the total borrowing costs related to the above land acquisition based on the installments paid right from the date of the first installment, in terms of the accounting practice followed by the Company in consonance with Accounting Standard-16 Borrowing Costs..

Accordingly, total Borrowing Costs of Rs. 49,65,436 have been worked out and capitalized during the year to the cost of acquisition of the said land. Since there are no separate borrowings for the said acquisition, the costs have been worked out by calculation proportionate interests from the total interest costs incurred by the company. Out of the total capitalized borrowing costs a sum of Rs. 5,15,342 is relating to the last quarter of the previous financial year when the first installment was paid and hence has been treated as prior period income.

50. Directors' remuneration is within the limits prescribed by Section II of Part II of Schedule XIII of the Companies Act, 1956. The amounts paid included the following :

Particulars	2011-2012 (Rs.)	2010-2011 (Rs.)
Remuneration	23,18,400	21,58,400
Perquisites	Nil	Nil
Bonus	3500	3500
Contribution to Provident Fund	Nil	Nil

The Managing Director is eligible for Gratuity as well as Leave Encashment and is covered there-under alongwith other employees of the Company. However, the above amounts do not include contribution to gratuity fund and provision for leave encashment as well as perquisite for free usage of car as separate figures are not available.

51. The Company owns a Windmill which produces power. The Units of Power generated from the Windmill are setoff against the monthly power bill of the Company. Consequently, the power cost of the Company for the year under report is net of the setoff of the power units generated from the Windmill

52. There are no amounts pending to be transferred to the Investors Education and Protection Fund as at the end of the year.

53. These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous periods figures have been recast / restated.

Signature to Notes 1 – 53

For **NARESH & CO**
CHARTERED ACCOUNTANTS
FRN : 106928W

CA HARIN PARIKH
PARTNER
(M.R.N. 107606)

Place : Vadodara
Date : 12th May 2012

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH
M. D.

O P KHANNA
DIRECOR

Place : Vadodara
Date : 12th May 2012



PROXY FORM

SHILCHAR TECHNOLOGIES LIMITED
REGD. OFFICE : BIL ROAD, BIL - 391 410
DIST. BARODA

I/We _____

_____ being Member

Members of Shilchar Technologies Limited, hereby appoint Shri / smt. _____
of _____
as my/our proxy attend and vote for me/us, and on my behalf, at the Twenty Sixth Annual Meeting of the
Company, to be held on 04th August 2012 and at any adjourment thereof.

As Witness my/our hands this _____ day of _____ 2010
Registered Folio No. : _____
No. of Shares held : _____

Note This proxy must be deposited at the registered Office of the Company at Bil Road, Bil - 391 410.
Dist. Baroda not less than forty eight hours before the time for holding the meeting.

ATTENDANCE
SHILCHAR TECHNOLOGIES LTD.
Regd. Office : Bil Road, Bil - 391 410. Dist. Baroda.

Name of the person attending _____

Registered Folio No. _____ No. of shares held _____

"proxy or second/third joint holder, name of first shareholder _____

I hereby record my/our presence at the Twenty Sixth Annual General Meeting of the Company held at Registered
Office of the Company at Bil Road, Bil-391 410, Dist. Baroda on 04th August, 2012.

Signature (s)

IMPORTANT

This attendance slip duly filled in may please in may please be handed over at the entrance of the Meeting Hall.



**SHILCHAR
TECHNOLOGIES LIMITED**

Bil Road, Bil 391 410, Dist. Baroda, India.
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