



ANNUAL REPORT 2012-2013



**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	Resigned w.e.f. 28th March, 2013

BANKERS

Bank of Baroda
Standard Chartered Bank

AUDITORS

Naresh & Company
Chartered Accountants
2nd Floor, Citi Enclave
Opp. Polo Ground
Vadodara - 390 001.

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 Seventh 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, District Vadodara on Saturday, the 10th day of August, 2013 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, 2013 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, 2013.
3. To appoint a Director in place of Mr. Mukesh D. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jitendra C. 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: 04.05.2013

ALAY SHAH
MANAGING DIRECTOR

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

Name of Director	Shri Mukesh D. Patel	Shri Jitendra C. Shah
Date of Birth	12/12/1949	16/09/1937
Date of Appointment	01/01/1995	30/07/2003
Expertise in Specific Functional Area	Finance and Corporate Management	Business Management
Qualifications	Bachelor of Chemical Engineer	M.A.
Directors in other public limited companies	Transpek Finance Limited Punjab Chemicals and Crop Protection Limited, Gujarat Automotive Gears Limited Universal Esters Limited Transpek Industry Limited Banco Products (India) Limited	E Cube India Solutions Limited
Other positions	NIL	NIL
Membership of committees in other public limited companies	He holds Membership of Eight Committees in Listed Companies and acting as Chairman of Two Committees in Listed Companies.	NIL
Shares held in the company	NIL	100



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 Register of members and Share Transfer Books of the company will remain closed from Wednesday, **7th day of August, 2013 to Saturday, 10th day of August, 2013 (both days inclusive)**.
3. All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and shares certificates should be sent either to the Registrar & Transfer Agent, M/s. MCS Limited, 1st Floor, "Neelam Apartment", 88, Sampatrao Colony, Vadodara-390 007 or at the registered office of the Company.
4. 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.
5. Members who continue to hold the shares in physical form are requested to inform any change in their address, bank particulars, email-id, and nomination etc. to the Registrars & Transfer Agent (RTA). Members holding shares in dematerialized form are requested to approach their Depository Participants for change of address, bank particulars, email-id and nominees, etc.
6. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of transferee(s), surviving holder(s), legal heirs(s) and joint holder(s) respectively, along with necessary document at the time of lodgment of request for transfer/ transmission / transposition, is mandatory.
7. The Company has been using ECS (Electronic Clearing Services) facility as well as physical instruments for distribution of dividends to its Members.

Members who are holding shares in demat mode are hereby advised to update and provide correct particulars of their bank accounts with their respective depositories.

For Members that hold physical shares, they are requested to indicate their bank account details viz. type of account, account number, banker's name and address, 9 digit code number appearing on the MICR band of the cheque supplied by the bank to enable the Company to record the mandate and distribute the future Dividend either by crediting to their bank accounts or at least by printing bank account details of the members on physical instruments. Such information may please be sent to the Registered Office of the Company Bil Road, Bil- 391 410, District Vadodara, in the State of Gujarat.

8. Under the provision of Section 109A and 109B of the Companies Act, 1956, Shareholder(s) is/ are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interesting in availing the nomination facility are requested to write to the Company/ RTA.
9. Members are hereby informed that dividends for the financial year **2005-06, 2006-07, 2007-08 2008-09, 2009-10, 2010-11 and 2011-12 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 Seventh Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March 2013.

1. Financial Results:

[Rupees in Lacs]		
Particulars	2012-13	2011-12
Revenue from Operations	7274.29	8294.16
Other Income	154.44	55.74
Total Revenue	7428.73	8349.90
Less: Expenses before Interest and Depreciation	6862.37	7780.93
Less: (a) Interest	271.41	402.26
(b) Depreciation	102.54	106.96
Profit before Tax & Extra ordinary Items	192.40	59.75
Add: Excess Provision for Expenses Written Back	1.66	3.33
Less: Prior year's Income Tax Adjustment	2.54	(0.44)
Profit Before Taxation	191.52	62.65
Less: Tax Expenses		
Current Tax	75.50	30.00
Deferred Tax	(13.20)	(9.23)
Profit after Tax	129.22	41.88
Balance brought forward from previous year's amount available for appropriation	982.82	963.13
Balance available for appropriation	1112.06	1004.98
APPROPRIATION		
Proposed Dividend on Equity Share	19.07	19.07
Corporate Dividend Tax on above	3.09	3.09
Balance Carried over to next year	1089.91	982.82

2. Dividend:

For the year under review, your Directors have recommended a dividend of Rs.0.50 paisa 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. 22,16,024/- including dividend distribution tax of Rs.3,09,324/-.

3. Operational Highlights:

The Company earned operational income of Rs. 7274.29 lacs compared to Rs. 8294.16 lacs for the previous year. The other income is Rs. 154.44 lacs compared to Rs. 55.74 lacs in the previous year.

The total revenue for the year is Rs. 7428.73 lacs against Rs. 8349.90 lacs in the previous year. Profit after tax is Rs. 128.22 lacs as compared to previous year figure of Rs. 41.88 lacs.

During the period under review, the Company has strategically shifted its focused from state electricity boards to private sectors and put thrust on export front and developing market for transformers having application in renewable energy sector. This has impacted in terms of marginalized the sales volume but improved its margins and profitability.

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.

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. Mukesh D. Patel and Mr. Jitendra C. Shah retire by rotation, and being eligible, offer themselves for re-appointment.

Mr. Rajesh Varma, Independent Director, resigned from the directorship owing to his personal reasons. The Board placed on record its sincere appreciation for the valuable contribution extended by Mr. Rajesh Varma during his tenure with the Company.

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 Auditor's Report is not qualified. The Auditors, in their Report, have referred to the notes forming part of the accounts. The said notes are self-explanatory and do not require any further clarifications.

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 2012-13, 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 2012-13 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. Cost Audit

Pursuant to the directives of the Ministry of Corporate Affairs, your Company appointed Mr. K. H. Shah proprietor of M/s. K. H. Shah & Co. Cost Accountants as cost Auditor of the Company under Section 233B of the Companies Act, 1956 for the year 2012-2013. The Cost Audit Report for the year ended 31st March, 2013 will be submitted to the Ministry within the stipulated time.

17. Personnel / Industrial relations:

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

18. 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: 04.05.2013

ALAY SHAH
MANAGING DIRECTOR

**Annexure-1 to the Director's Report 2012-13****Management Discussion and Analysis****a) Industry Overview**

The Indian Transformer industry, primarily of Power & Distribution Transformer manufacturers, is one of the key pillars of India's more than Rs. 110000 crores Power Industry. The industry enjoys a good reputation in terms of quality, price, and delivery in the domestic as well as overseas markets. Apart from catering to domestic demand, India exports transformers to over 100 nations including the US, Europe, Malaysia, Singapore, Bangladesh, African countries, and Gulf countries. India is however also lured on importing transformers; the major source countries include China, Germany, USA, Korea, and Japan. There are more than five hundred transformer companies in India. The market is predominantly unorganized with many small participants catering to the smaller distribution transformer markets while there are few leading players, have significant presence in both power and distribution transformer market.

Over the last two years the market has grown at a very moderate rate at less than 4 per cent, due to the slowdown of power generation capacity addition and T&D infrastructure expansion. On the other hand, anticipating the huge domestic and overseas demand, many foreign players already commenced setting up their manufacturing facilities in India. Simultaneously, many domestic players have opted for capacity expansion. Resultantly, transformer manufacturing capacity in India remains underutilized with capacity utilization rates hovering around 60-70 per cent on an average over the last five years. Transformer over-capacity in the Indian market has led to immense pricing pressure scenario severely impacting the profitability of the market players. Responding to the needs of an hour, players in Transformer industry have updated their manufacturing facilities to cope with technical requirement at national and international levels.

b) Opportunities

- Revised Accelerated Power Development and Reform Program (R-APDRP) and Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), the schemes as launched in by the Government of India entails huge investments in the T&D sector including use of energy efficient transformers, besides renovation, modernization, restructuring, and up gradation of the T&D infrastructure.
- Transformer segment is going to witness a leap in demand, even in face of intensifying competition, as Capex of approximately Rs. 640,000 crore in T&D sector over the next 5-6 years will ensure the optimum capacity utilization for major players.
- Industrial sector Growth and Replacement of ageing equipments.
- India, under its green initiatives and response to UNFCCC talks, has rolled out Jawaharlal Nehru National Solar Mission under NAPCC. The transformation of sand to power has proved out to be a highly proactive field for market and technology innovation. Thus, 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

- High failure rate of distribution transformers is a big concern for the transformer industry in India. This is due to the low entry barriers in the distribution transformer market leading to unorganized players entering the market, and competing on the price factor.
- State power utilities have been facing losses due to the supply of subsidized power to agricultural farmers, theft of power, and inefficient T&D infrastructure. This has restricted private investment in the power T&D sector, thereby reducing the quality of service from SEBs. This, in turn, is affecting the capacity building program and transmission of power.
- Acute fuel shortage (both coal and natural gas), high coal prices and delay in commissioning of new units, affected power generation capacity addition plans and in turn, demand for transformers.

d) Segment wise performance

Power transformer forms the largest chunk of transformer market by value and account for about 60-70% of the total transformer industry. Distribution transformers would account for the remaining 30-40% of the total value of the transformer industry. Your Company is engaged in manufacturing of Power Transformers ranging from 5 KVA to 3000 KVA and Power Transformers ranging from 300 KVA to 25,000 KVA. The Company also manufactures solar and windmill transformers for renewable energy sector.

e) Outlook

The Indian power and distribution transformer markets are highly dependent on investments planned by the Government of India for the T&D segment and reform programs of the Central Government. These programs, when fully implemented as scheduled, are expected to drive the demand for both power and distribution transformers. Growing Indian economy, growth in electricity consumption, growing industrial demand, expanding export market, large scale generation capacity addition, setting up of national grid, rapid expansion of urban and rural distribution infrastructure will remain key drivers



of the transformer market in India. In the current scenario, your Company will continue to focus on updating its technical capabilities to develop transformers of latest technology and design and in turn strengthen its market share and improve its profitability.

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 2012-13

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 2013

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.	The Company set up a wind mill project to generate eco friendly electricity, being used for captive consumption.
4.	The numbers as well as capacity of capacitors changed to achieve improved power factor.
5.	The consumption of Diesel is under close supervision.
6.	Putting thrust 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	2012-13	2011-12
1.	Electricity:		
a)	Purchased		
	Unit	6,82,896	8,84,109
	Total Amount (in Rs.) – Gross	45,82,599	61,01,394
	Rate/ Unit	6.73	6.90
b)	Own Generation:		
i)	Through Diesel Generator		
	Diesel Qty (in Ltr)	1904	3120
	No. of Units Generated	6663.20	11632.65
	Total Amount (in Rs.)	90847	1,37,323
	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	5,07,076	4,78,423
	Total Amount	34,12,620	33,10,685
	Average Rate/ Unit	6.73	6.92

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 31.03.2013, the Company spent Rs. 28.36 lacs on R & D activities, being 0.38% of its total turnover, as compared to Rs.27.66 lacs, being 0.33% 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	2012-13	2011-12
01.	Earning from Export during the year	17,46,67,377/-	6,82,69,653/-
02.	Outgo:		
	a) CIF value of Imports	78,22,908/-	3,30,88,533/-
	b) Expenditure in foreign currency	3,91,986/-	5,27,417/-
	c) Traveling	5,58,220/-	1,00,128/-

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

Place: Bil, District Vadodara

Date: 04.05.2013

ALAY SHAH
MANAGING DIRECTOR



COMPLIANCE CERTIFICATE

To
The Members
Shilchar Technologies Limited
Bill Road, Bill
District Vadodara – 391410

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, 2013. 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 05 (Five) times on 12.05.2012, 04.08.2012, 09.11.2012, 02.01.2013 and on 09.02.2013 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 01.08.2012 to 04.08.2012 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31.03.2012 was held on 04th August, 2012 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. One Extra Ordinary General Meeting (EOGM) was held during the financial year 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.
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. As there were no instances falling within the purview of Section 314 of the Act, the Company has not 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 and the company has delivered all the certificates on lodgment for transfer/transmission in accordance with the provisions of the Act.
(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–2011-12" with YES Bank Ltd., 4th Floor, Nehru Centre, Discovery of India Bldg, Dr. A.B. Road, Worli, Mumbai–400018, on 06.08.2012 which is within five days from the date of declaration of dividend in the AGM held on 04.08.2012.
(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–2011-12" with Yes Bank, 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: 04.05.2013

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: 04.05.2013

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, 2013.

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 requisite additional fee paid Yes/No
1.	Form No. 23C	233B (2)	Application to the Central Government for making appointment of Cost Auditor for the FY 2012-13.	28.06.12	S08893026 Rs. 2,000/-	Yes	No
2.	Form No. 23D	233B	Information by Cost Auditor to Central Government for the FY 2012-13.	28.06.12	S13902978 Rs. NIL	Yes	No
3.	Form 5INV	Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012]	Statement of unclaimed and unpaid amounts upto FY ended on 31.03.2011.	27.07.12	S11388386 Rs. NIL	Yes	No



4	Form No. 66	Rule 3 of the Companies Compliance Certificate Rules, 2001	Filing of Compliance Certificate for the FY 2011-12	09.08.12	P88317078 Rs. 500/-	No	Yes
5.	Form No. 20B	159	Filing of Annual Return for the AGM held on 30.07.2011.	05.09.12	P88745484 Rs. 500/-	Yes	No
6.	Form 5 INV	- Do-	Statement of unclaimed and unpaid amounts as on 04.08.2012, being the date of AGM in relation to FY ended on 31.03.2012.	17.10.12	S14785539 Rs. NIL	Yes	No
7.	Form No. 23AC & ACA(XBRL)	220	Filing of Audited Financial Statements for FY ended 31.03.2012.	13.12.12	Q04301602 Rs. 500/-	Yes	No
8.	FORMA-XBRL	209(1)(d), 600(3)(b) of the Companies Act, 1956 and relevant Cost Accounting Records Rules,2011	Filing of XBRL document in respect of Cost Compliance Report of Cost Accountant for the FY 2011-12.	27.12.12	S19596410 Rs. 500/-	Yes	No
9.	Form No. 23	192	Registration of Special Resolution passed at the EOGM of the Company held on 30.01.2013	04.02.13	B67092296 Rs. 500/-	Yes	No
10.	Form No. 32	303(2)	Intimation for cessation of Mr. Rajesh Varma, Independent Director from the Directorship of the Company w.e.f 28.03.2013	28.03.13	B71384770 Rs. 500/-	Yes	No

Place: Vadodara
Date: 04.05.2013

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, 2013, the Board of Directors had 6 (Six) members comprising of 5 (Five) Non-Executive Directors and Mr. Alay Shah, Managing Director, being the only Whole time/Executive Director.

The Non-Executive Directors included 3 (three) 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 five times on 12.05.2012, 04.08.2012, 09.11.2012, 02.01.2013 and 09.02.2013

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	4	80%
Mr. Ashesh J. Shah	NED	3	60%
Mr. Alay J Shah	MD	5	100%
Mr. Mukesh D. Patel	NED	5	100%
Mr. O. P. Khanna	NED	3	60%
Mr. Kirtikant.P.Shah	NED	1	20%
Mr. Rajesh Varma (resigned w.e.f. 28.03.2013)	NED	3	60%

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

Mr. Jitendra C. Shah, Mr. Alay J. Shah, Mr. Ashesh J. Shah, Promoter Directors and Mr. O. P. Khana, Mr. Mukesh D. Patel and Mr. Rajesh Varma, Independent Directors, respectively attended the Annual General Meeting of the Company which was held on 04.08.2012.



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

Name of the Director	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	1	NIL	NIL
Mr. Ashesh Shah	1	NIL	NIL
Mr. Alay Shah	2	NIL	NIL
Mr. Mukesh Patel	7	03	07
Mr. O. P. Khanna	1	NIL	NIL
Mr. Kirti P Shah	NIL	NIL	NIL

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

A brief resume of respective Directors seeking reappointment at the 27th 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 Chairman 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 professional 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 2013, the Audit Committee comprised of 2 Non-Executive Directors viz. Mr. Mukesh Patel and Mr. O. P. Khanna, both being independent Directors with the Mr. Alay Shah, being a Permanent Invitee to the Committee. Mr. Rajesh Varma was the Chairman of the Committee, who resigned from the Board with effect from 28.03.2013. 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, 2012 to 31st March, 2013. The attendance of each Member of the Committee is given below:

Name of Director	Designation	No. of Meetings attended	% of total Meetings attended during the tenure as a Director
Mr. O. P. Khanna	Director	3	75%
Mr. Mukesh D. Patel	Director	4	100%
Mr. Rajesh Varma (resigned w.e.f. 28.03.2013)	Chairman	3	75%



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, 2013, the Committee comprised of 2 Non-Executive independent Directors viz. Mr. O. P. Khanna and Mr. Kirti P. Shah. 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, 2012 to 31st March, 2013.

(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, 2012 to 31st March, 2013)

Name of Director	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. 23.22 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, expiring on 30-9-2015 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 2012-13, 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, 2013, 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	04/08/2012	3:00 p.m.
(ii)	—— do ——	30/07/2011	3:00 p.m.
(iii)	—— do ——	28/07/2010	3:00 p.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)	27 th AGM Date, Time and Venue	:	10th August, 2013 at 3.00 p.m. at Shilchar Technologies Limited, Bil Road, Bil, District Vadodara - 391 410.
(b)	Financial calendar	:	i. April 2013 to March 2014
		:	ii. First Quarter 2013 Results – on or before 15 th August, 2013
		:	iii. Second Quarter/ Half yearly Results 2013 – on or before 15 th November, 2013



		iv. Third Quarter 2013 Results – on or before 15 th January 2014																																																				
		v. Audited Results for the Fourth Quarter/ Year ending 31 st March 2014, - on or before 31 st May, 2014.																																																				
(c) Date of Book closure	:	07.08.2013 to 10.08.2013 (both days inclusive)																																																				
(d) Dividend Payment date	:	On or after 12.08.2013, if declared at Annual General Meeting on 10.08.2013.																																																				
(e) Listing on Stock Exchange.	:	The Company has paid Listing Fees for the period 1 st April, 2013 to 31 st March 2014 to VSE & BSE.																																																				
(f) (i) Stock Code – Physical	:	531201																																																				
(ii) Demat ISIN Number for NSDL & CDSL	:	INE 024F01011																																																				
(g) Market price Date : High, Low during each month in last Financial year	:	<p>The High / Low market price of the shares during the year 2012-13 at the Stock Exchange, Mumbai were as under.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>High</th> <th>Low</th> <th>Close</th> </tr> </thead> <tbody> <tr> <td>April, 2012</td> <td>63.90</td> <td>55.15</td> <td>55.15</td> </tr> <tr> <td>May, 2012</td> <td>59.00</td> <td>52.00</td> <td>59.00</td> </tr> <tr> <td>June, 2012</td> <td>61.75</td> <td>55.80</td> <td>55.80</td> </tr> <tr> <td>July, 2012</td> <td>59.90</td> <td>52.30</td> <td>52.30</td> </tr> <tr> <td>August, 2012</td> <td>49.70</td> <td>47.25</td> <td>49.50</td> </tr> <tr> <td>September, 2012</td> <td>47.25</td> <td>47.25</td> <td>47.25</td> </tr> <tr> <td>October, 2012</td> <td>46.25</td> <td>45.00</td> <td>46.20</td> </tr> <tr> <td>November, 2012</td> <td>50.90</td> <td>37.95</td> <td>40.15</td> </tr> <tr> <td>December, 2012</td> <td>46.05</td> <td>39.45</td> <td>41.30</td> </tr> <tr> <td>January, 2013</td> <td>45.30</td> <td>35.15</td> <td>38.70</td> </tr> <tr> <td>February, 2013</td> <td>40.50</td> <td>40.50</td> <td>40.50</td> </tr> <tr> <td>March, 2013</td> <td>63.90</td> <td>42.45</td> <td>55.15</td> </tr> </tbody> </table>	Month	High	Low	Close	April, 2012	63.90	55.15	55.15	May, 2012	59.00	52.00	59.00	June, 2012	61.75	55.80	55.80	July, 2012	59.90	52.30	52.30	August, 2012	49.70	47.25	49.50	September, 2012	47.25	47.25	47.25	October, 2012	46.25	45.00	46.20	November, 2012	50.90	37.95	40.15	December, 2012	46.05	39.45	41.30	January, 2013	45.30	35.15	38.70	February, 2013	40.50	40.50	40.50	March, 2013	63.90	42.45	55.15
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February, 2013	40.50	40.50	40.50																																																			
March, 2013	63.90	42.45	55.15																																																			
(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 31.03.2013

Shareholders			Nos. of Shares	
Nominal Value of Shares in Rs.	Holders	% To Total	Number	%
Up to 500	527	89.9317	82763	2.1703
501 to 1000	28	4.7782	21542	0.5649
1001 to 2000	10	1.7065	14552	0.3816
2001 to 3000	5	0.8532	11934	0.3129
3001 to 4000	1	0.1706	3745	0.0982
4001 to 5000	1	0.1706	10900	0.2858
5001 to 10000	1	0.1706	13040	0.3420
10001 to 50000	1	0.1706	15000	0.3933
50001 to 100000	1	0.3413	148210	3.8866
AND ABOVE 10	1.7065	3491714	91.5643	
Total	582	100.00	3813400	100.00

- (l) Dematerialization of Shares and liquidity : 98.25% of the paid-up capital has been dematerialized as on 31st March, 2013.
- (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 31.03.2013.



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.

Declaration / Certification:

a. Code of Conduct:

The Board has laid down a Code of Conduct applicable to all the Directors and senior management of the Company. Necessary certification to this effect is appended to this Corporate Governance Report.

b. CEO/ CFO Certification:

As per requirements of Corporate Governance Code, the Managing Director and Chief Financial Officer have furnished the necessary Certificate to the Board of Directors with respect to financial statements and cash flow statements for the year ended 31st March, 2013.

Declaration by Managing Director on Code of Conduct

I, Alay Shah, Managing Director of Shilchar Technologies Limited, do hereby declare that a formal code of Conduct has been laid down by the Board of Directors of Shilchar Technologies Limited, which has been applicable to all the Directors and senior management of the Company. The code of Conduct has been affirmed to by all the Directors and Senior management of the Company.

Place: Bil, District Vadodara

Date: 04.05.2013

**ALAY SHAH
MANAGING DIRECTOR**

**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, 2013 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, 2013, 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: 04.05.2013



**AUDITOR'S REPORT
To the Members**

We have audited the accompanying Financial Statements of **SHILCHAR TECHNOLOGIES LIMITED** ("the Company") which comprise the Balance sheet **as at 31st March, 2013** and the Statement of Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

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

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

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditors Report) Order, 2003 ("the order") 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. As per the requirements under Section 227 (3) of the Act, we report that:
 - a) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our Audit;
 - b) In our opinion, proper books of 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, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 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) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place : Vadodara
Date : 04th May, 2013

**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 2013 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.
- (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, 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, 2013 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. 22,55,370 for 2007-08

{The Company has filed an appeal before the Jt. Commissioner of Commercial Taxes (Appeals) against the Assessment Order which is pending.}

CST Demand of Rs. 3,82,863 for 2008-09

{The Company has filed an appeal before the Jt. Commissioner of Commercial Taxes (Appeals) against the Assessment Order which is pending.}

- (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)**

Place : Vadodara
Date : 04th May, 2013

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



BALANCE SHEET AS AT 31st MARCH, 2013

	NOTE	YEAR ENDED AS AT 31.03.2013 Amount Rs.	YEAR ENDED AS AT 31.03.2012 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	170,163,343	159,894,834
(2) Share Application Money pending allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	-	467,398
(b) Deferred Tax Liabilities (Net)	6	13,857,809	15,177,853
(c) Other Long Term Liabilities	7	-	-
(d) Long-Term Provisions	8	2,090,769	1,704,691
(4) Current liabilities			
(a) Short-Term Borrowings	9	189,946,918	185,309,811
(b) Trade Payables	10	300,313,711	291,463,183
(c) Other Current Liabilities	11	27,174,189	27,181,697
(d) Short-Term Provisions	12	9,766,024	5,216,024
	TOTAL	751,446,763	724,549,491
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible assets		181,508,096	190,306,126
(ii) Intangible assets		-	2,117
(iii) Capital work-in-progress		313,249	-
(b) Non-Current Investments	14	7,007,000	7,007,000
(c) Long-Term Loans and Advances	15	1,665,650	1,685,650
(d) Other Non-Current Assets	16	-	-
(2) Current Assets			
(a) Current Investments	17	-	-
(b) Inventories	18	130,750,529	128,508,038
(c) Trade Recievables	19	347,688,301	339,840,418
(d) Cash and Cash Equivalents	20	45,778,795	40,266,406
(e) Short-Term Loans and Advances	21	33,896,120	14,751,257
(f) Other Current Assets	22	2,839,023	2,182,479
	TOTAL	751,446,763	724,549,491

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 : 04th May 2013

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH
MANAGING DIRECTOR

JITENDRA SHAH
CHAIRMAN

Place : Bil, Vadodara
Date : 04th May 2013



**STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2013**

	NOTES	YEARENDED AS AT 31.03.2013 Amount Rs.	YEARENDED AS AT 31.03.2012 Amount Rs.
I. Revenue From Operations	28	727,428,942	829,416,088
II. Other Income	29	15,443,609	5,573,930
III. Total Revenue (I + II)		742,872,551	834,990,018
IV. Expenses:			
Cost of Materials Consumed	30	567,304,864	654,673,381
Purchases of Stock-in-Trade			
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	31	4,314,615	17,722,300
Employee Benefits Expenses	32	23,850,266	25,741,755
Financial Costs	33	27,140,749	40,226,068
Depreciation and Amortization Expenses	13	10,254,009	10,696,357
Other Expenses	34	90,768,129	79,955,160
Total Expenses		723,632,632	829,015,021
V. Profit Before Exceptional and Extra Ordinary Items & Tax (III - IV)		19,239,919	5,974,997
VI. Exceptional items			
VII. Profit before Extraordinary Items & Tax (V - VI)		19,239,919	5,974,997
VIII. Extraordinary Items			
Add: Excess Provision for Expenses Written Back		34,884	333,366
Less: Prior year's Income Tax Adjustment		122,886	43,708
IX. Profit Before Tax (VII - VIII)		19,151,917	6,264,655
X. Tax expense :			
(1) Current tax		7,550,000	3,000,000
(2) Deferred tax		(1,320,044)	(923,271)
XI. Profit/(Loss) from Continuing Operations (VII-VIII)		12,921,961	4,187,926
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)		12,921,961	4,187,926
XVI. Earning per Equity Share:			
(1) Basic		3.39	1.10
(2) Diluted		3.39	1.10
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 : 04th May 2013

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH
MANAGING DIRECTOR

JITENDRA SHAH
CHAIRMAN

Place : Bil, Vadodara
Date : 04th May 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

Sr.	Item	For the Year ended 31.3.2013 Rupees	For the Year ended 31.3.2012 Rupees
A.	Cash flow from Operating Activities :		
	<i>Net Profit before Tax & Extra Ordinary Items</i>	19,239,919	5,974,997
	Adjustment for :		
	Depreciation & Write-offs	10,254,008	10,696,357
	Gratuity Non Cash Adj. for AS 15	384,268	242,957
	Leave Encashment Non Cash Adj.	401,847	523,136
	Loss / (Profit) on Sale of Investments / Assets	---	73,737
	Interest & Financial Charges	27,140,749	40,226,068
	Prior Period Items	89,631	1,082,970
	<i>Operating Profit before Working Capital Changes</i>	57,510,423	58,820,222
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	(7,847,883)	100,828,844
	(Increase)/Decrease in Inventories	(2,242,491)	47,048,097
	(Increase)/Decrease in Loans & Advances	(15,918,666)	12,218,770
	(Increase)/Decrease in Other Current Assets	(656,544)	(919,805)
	Increase/(Decrease) in Trade Payables	8,850,528	16,066,561
	Increase/(Decrease) in Other Current Liabilities	(7,508)	4,018,214
	Increase/(Decrease) in Other provisions	477,959	104,987
	<i>Cash Generated from Operations</i>	40,165,818	238,185,890
	Gratuity Paid & Leave Salary Paid	877,996	769,782
	Direct Taxes Paid	6,329,083	(418,804)
	<i>Cash Flow before Extra Ordinary Items</i>	32,958,739	237,834,912
	Extra Ordinary Items	34,884	333,366
	Prior Period Items (being cash items)	(89,631)	(1,082,970)
	Net Cash Flow from Operating Activities	32,903,992	237,085,308
B.	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(2,204,539)	(39,017,634)
	Net Proceeds from Sale of Fixed Assets	---	274,000
	Investments	---	---
	Sale of Investments	---	---
	Net Cash used in Investment Activities	(2,204,539)	(38,743,634)
C.	Cash Flow from Financing Activities		
	Increase/(Decrease) in Short Term Borrowings	4,637,107	(146,081,432)
	Increase/(Decrease) in Long Term Borrowings	(467,398)	(5,461,478)
	Dividend	(2,216,024)	(2,223,439)
	Interest Paid	(27,140,749)	(40,226,068)
	Net Cash used in Financing Activities	(25,187,064)	(193,992,417)
D.	Net Increase/(Decrease) in Cash and Cash Equivalents	5,512,389	4,349,257
	Cash and Cash Equivalents (Opening)	40,266,406	35,917,149
	Cash and Cash Equivalents (Closing)	45,778,795	40,266,406

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 : 04th May 2013

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH

MANAGING DIRECTOR

Place : Bil, Vadodara

Date : 04th May 2013

JITENDRA SHAH

CHAIRMAN



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 & VAT for which 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 (2012 : Rs. 4,37,428) 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 :

	YEAR ENDED AS AT 31.03.2013 Amounts. (Rs.)	YEAR ENDED AS AT 31.03.2012 Amounts. (Rs.)
NOTE NO. : 3 SHARE CAPITAL :-		
(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 3813400 Equity Shares of Rs.10/- each Fully Paid-up) (All Shares rank pari-passu with reference to all rights related thereto)	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, 2013		As at 31 st March, 2012	
	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, 2013		As at 31 st March, 2012	
	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.	400150	10.493	571150	14.98
Custom Magnetics Inc.	251449	6.594	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 2013	As At March 31 st 2012
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	3,802,712	4,240,140
Less Depreciation adjusted	437,428	437,428
Balance at Quarter/Year end.	3,365,284	3,802,712
Share Forfeiture Account	2,609,500	2,609,500
Subsidy	424,648	424,648
General Reserves	10,359,273	10,359,273
Surplus in Statement of Profit and Loss account		
Opening Balance	98,284,997	96,313,095

Profit / (Loss) During the Year	12,921,961	4,187,926
Balance Available for Appropriation	111,206,958	100,501,021
Less : Appropriation		
Proposed Dividend on Equity shares	1,906,700	1,906,700
Corporate Dividend Tax on Above	309,324	309,324
Balance at Quarter/Year end.	108,990,934	98,284,997
TOTAL RS.	170,163,343	159,894,834

5. Long - Term Borrowings :

	As At March 31st 2013	As At March 31st 2012
Secured		
Vehicle Loan (From HDFC Bank against Hypothecation of Car)	-	467,398
Unsecured	-	-
TOTAL RS.	-	467,398

6. Deferred Tax Liabilities (Net) :

	As At March 31st 2013	As At March 31st 2012
Major Components of Deferred Tax Balances are as under :		
Deferred Tax Liabilities (difference between accounting and tax depreciation)	14,726,172	15,731,025
Deferred Tax Assets (liabilities provided in books but allowable for tax purposes when actually paid)	868,363	553,172
NET TOTAL RS.	13,857,809	15,177,853

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 2013	As At March 31st 2012
(a) Trade Payables	-	-
(b) Others	-	-
TOTAL RS.	-	-

8. Long-Term Provisions :

	As At March 31st 2013	As At March 31st 2012
Provision for Employee Benefits		
(a) Provision for Gratuity (Net)	1,119,306	746,038
(b) Provision for Leave encashment	971,463	958,653
Others	-	-
TOTAL RS.	2,090,769	1,704,691



9. Short - Term Borrowings :

	As At March 31st 2013	As At March 31st 2012
Secured :		
From Banks for Working Capital :		
From Bank of Baroda		
Cash Credit (Against Hypothecation of Stocks and Book Debts)	13,294,010	99,639,886
EPC/FBD/PCFC/FCBD Account (Secured against Export Orders and Stock of Export)	70,418,182	10,058,549
From Standard Chartered Bank		
Cash Credit/WCDL/Bill Disc (Against Hypothecation of Stocks & Book Debts)	-	19,249,603
EPC/FBD/PCFC/FCBD Account (Secured against Export Orders and Stock of Export)	25,044,944	6,700,025
From Kotak Mahindra Bank Ltd		
Bill Discounting (against LCs of Customers duly confirmed by their / our Bankers)	-	49,661,748
From ICICI Bank Ltd		
Bill Discounting (against LCs of Customers duly confirmed by their / our Bankers)	81,189,782	-
TOTAL RS.	189,946,918	185,309,811

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 ICICI Bank (P.Y Kotak Mahindra Bank) are against LC's of customers duly confirmed by their respective bankers

10. Trade Payables :

	As At March 31st 2013	As At March 31st 2012
Payable to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006	109,637,503	139,478,402
Trade Payables to Others	190,676,208	151,984,781
TOTAL RS.	300,313,711	291,463,183

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 2013	As At March 31st 2012
(a) Current Maturities On Long Term Debt		
- ECB	-	2,999,499
- Vehicle Loan (Repayable within 12 months)	467,398	650,912
(b) Interest Accrued but not due on Borrowings	-	16,865
(c) Interest Accrued and due on Borrowings	-	-
(d) Income Received in Advance (Interest on LC)	1,913,558	568,595
(e) Unpaid Dividends	134,423	93,115
(f) Advances Received from Customers	15,636,751	13,756,337
(g) Other Payables :		
- Security Deposits	152,000	276,000
- Statutory Liabilities	321,349	469,413
- Other Expenses Payable	8,504,016	8,295,848
- Other Current Liabilities	44,694	55,113
TOTAL RS.	27,174,189	27,181,697

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 2013	As At March 31st 2012
(a) Provision for Employee Benefits	-	-
(b) Provision for Current Taxation	7,550,000	3,000,000
(c) Provision for Proposed Dividend (2012-13)	1,906,700	1,906,700
(d) Provision for Corporate Dividend Tax (2012-13)	309,324	309,324
TOTAL RS.	9,768,024	5,216,024

14. Non – Current Investments :

	As At March 31st 2013	As At March 31st 2012
Investment in Equity Instruments (Unquoted, At Cost)		
E-Cube India Solutions Ltd. (Company under the same Management) (Fully Paid-up Equity Shares)	7,007,000	7,007,000
TOTAL RS.	7,007,000	7,007,000


Schedule - E
Fixed Assets

NOTE NO. : 13

Particulars	Gross Block				Depreciations						Net Block			
	As At 01.04.2012	Addition During the year Cost	Deduction/ Adjustment during the year		As At 31.03.2013	As At 01.04.2012 Cost	For the year		Total	Adjustment/ Deduction during the year		As At 31.03.2013	As At 31.03.2013	As At 31.03.2012
			Cost	Revaluation			Cost	Revaluation		Cost	Revaluation			
Land	67,546,109	-	-	-	67,546,109	-	-	-	-	-	-	-	67,546,109	67,546,109
Office Building	4,400,000	-	-	-	4,400,000	832,732	71,720	-	904,452	-	-	904,452	3,495,548	3,567,268
Factory Building	57,125,972	156,588	-	-	57,282,560	20,871,503	1,471,427	437,428	22,780,358	-	-	22,780,358	34,502,202	36,254,469
Plant & Machinery	130,897,793	1,730,352	-	-	132,628,145	67,066,601	6,220,553	-	73,287,154	-	-	73,287,154	59,340,991	63,831,192
Windmill	15,944,789	-	-	-	15,944,789	4,493,128	841,885	-	5,335,013	-	-	5,335,013	10,609,776	11,451,661
Computers	6,888,110	-	-	-	6,888,110	6,799,683	391,178	-	7,190,861	302,751	-	6,888,110	0	88,427
Furnitures & Fixtures	17,340,428	4,350	-	-	17,344,778	12,671,157	1,096,538	-	13,767,695	-	-	13,767,695	3,577,083	4,669,271
Vehicles	5,553,380	-	-	-	5,553,380	2,655,634	461,344	-	3,116,978	-	-	3,116,978	2,436,402	2,897,746
Total	305,696,576	1,891,290	-	-	307,587,866	115,390,450	10,554,645	437,428	126,382,511	302,751	-	126,079,770	181,508,111	190,306,126
Previous Year	247,457,026	59,017,634	778,079	-	305,696,581	104,689,387	10,693,965	437,428	115,820,780	430,342	-	115,390,450	190,306,126	142,767,639

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Part of Schedule - E
Fixed Assets - Intangible Assets

Particulars	Gross Block				Amortisation						Net Block			
	As At 01.04.2012	Addition During the year Cost	Deduction/ Adjustment during the year		As At 31.03.2013	As At 01.04.2012 Cost	For the year		Total	Adjustment/ Deduction during the year		As At 31.03.2013	As At 31.03.2013	As At 31.03.2012
			Cost	Revaluation			Cost	Revaluation		Cost	Revaluation			
Softwares	482,325	-	-	-	482,325	480,208	2,117	-	482,325	-	-	482,325	-	8,133
Total	482,325	-	-	-	482,325	480,208	2,117	-	482,325	-	-	480,208	-	8,133
Previous Year	482,325	-	-	-	482,325	477,816	2,392	-	480,208	-	-	480,220	2,117	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. 10,33,899/-



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

	As At March 31 st 2013	As At March 31 st 2012
(a) Capital Advances	-	-
(b) Security Deposits	1,665,650	1,685,650
(c) Other Loans and Advances	-	-
TOTAL RS.	1,665,650	1,685,650

16. Other Non – Current Assets :

	As At March 31 st 2013	As At March 31 st 2012
Long-term Trade Receivables	-	-
Others	-	-
TOTAL RS.	-	-

17. Current Investments :

	As At March 31 st 2013	As At March 31 st 2012
Current Investments	-	-
TOTAL RS.	-	-

18. Inventories :

Particulars	As At March 31 st 2013	As At March 31 st 2012
(At Cost or Market Value whichever is lower) (Taken as Valued & Certified by Management)		
Raw Materials	77,468,551	71,297,747
Work-in-Progress	26,680,265	34,120,487
Finished Goods	26,601,713	23,089,804
TOTAL RS.	130,750,529	128,508,038

Finished Goods	As At March 31 st , 2013	As At March 31 st , 2012
Transformers – E & T	61,27,883	5,661,707
Distribution & Power Transformers	2,04,73,830	17,428,097
TOTAL RS.	2,66,01,713	23,089,804

Work-in Progress	As At March 31 st , 2013	As At March 31 st , 2012
Transformers – E & T	24,51,119	3,153,980
Distribution & Power Transformers	2,42,29,146	30,966,507
TOTAL RS.	2,66,80,265	34,120,487



19. Trade Receivables (Unsecured Considered Good) :

	As At March 31st 2013	As At March 31st 2012
(a) Outstanding for a period exceeding Six Months	43,785,180	60,389,477
(a) Others	303,903,121	279,450,941
TOTAL RS.	347,688,301	339,840,418
Amount due from Related Party as defined in AS 18	258,940	192,290

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 2013	As At March 31st 2012
Balances with Banks		
- In Current Accounts	1,000,781	1,031,456
- In Dividend Accounts	154,400	124,691
- In Margin Money & Fixed Deposit Accounts (Maturity within 12 months)	44,573,729	38,956,902
Cash on Hand	49,885	153,357
TOTAL RS.	45,778,795	40,266,406

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

	As At March 31st 2013	As At March 31st 2012
- EMD's	515,022	3,279,500
- Prepaid Expenses	4,316,674	4,445,468
- Advance Paid to Suppliers & Service Providers	2,603,148	1,948,865
- Advance Income Taxes and Refunds Receivable	4,446,415	1,240,218
- Indirect Taxes Recoverable Balances with Revenue Authorities	10,871,885	1,980,234
- Other Short Term Loans & Advances	11,142,976	1,856,972
TOTAL RS.	33,896,120	14,751,257

22. Other Current Assets :

	As At March 31st 2013	As At March 31st 2012
- Interest Accrued but not due	2,839,023	2,182,479
TOTAL RS.	2,839,023	2,182,479

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. 652179/- (Decision Pending)

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

CST Demand on Assessment Order for 2008-09 – Rs. 382863/-

(Against both of the above demands, the Company has filed appeal before Jt. Commissioner of Commercial Tax (Appeals) against the Assessment Order which is pending.)

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.2,42,77,391/- (p.y. Rs.1,38,97,990/-) to EPC Customers being Private Companies.

Bank Guarantees outstanding as on 31st March, 2013, amounted to Rs 17,37,74,365/- (p.y. Rs 19,06,75,639/-) and Letters of Credit outstanding as at 31st March 2013, amounted to Rs 9,69,49,897/- (p.y. Rs. 16,54,25,325/-) against which the company has kept the Margin Money in the form of Fixed Deposit worth Rs. 2,95,73,729/- (p.y. Rs. 3,88,79,437/-).

26. Commitments (to the extent not provided for)

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

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 2013	As At March 31st 2012
(a) Sale of Products		
- Domestic Sales	607,413,687	836,464,428
- Export Sales	178,225,944	68,639,101
Total Sale of Products	785,639,631	905,103,529
(b) Sale of Services	-	-
(c) Other Operating Revenues	-	-
Total Gross Revenues	785,639,631	905,103,529
Less : Excise Duty	58,210,689	75,687,441
TOTAL RS.	727,428,942	829,416,088

Sales (Finished Goods)	As At March 31st 2013	As At March 31st 2012
Transformers – E & T (Including Core & Lamination and Bobbin)	10,18,97,832	11,10,87,945
Distribution & Power Transformers	61,23,61,552	71,36,41,707
Others	1,31,69,558	46,86,436
TOTAL RS.	72,74,28,942	829,416,088



29. Other Income :

	As At March 31st 2013	As At March 31st 2012
Interest Income	6,293,574	3,247,960
Discounts and Sundry Balances Appropriated	473,021	213,664
Duty Drawback	5,957,158	763,515
Insurance Claim	-	806,658
Misc. Income	48,000	138,992
Gain on Commodity Derivatives	1,631,856	-
Prior Period income	905,843	403,141
Exchange Rate Difference	134,157	-
TOTAL RS.	15,443,609	5,573,930

30. Cost of Material Consumed :

	As At March 31st 2013	As At March 31st 2012
Opening Stock of Raw Materials	71,297,747	100,181,267
Add : Purchases (incl. Custom Duty & Charges)	572,166,676	624,272,508
	643,464,423	724,453,775
Less : Closing Stock of Raw Materials	77,468,551	71,297,747
Raw Materials Consumed	565,995,872	653,156,028
Consumable Store and Spares	1,308,992	1,517,353
TOTAL Rs.	567,304,864	654,673,381

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

	As At March 31st 2013	As At March 31st 2012
Opening Stock of Finished Goods & Work in Process	57,210,291	75,374,868
Less: Closing Stock of Finished Goods & Work In Process	53,281,978	57,210,291
	3,928,313	18,164,577
Differential Excise Duty on Opening & Closing Stock of Finished Goods	386,302	(442,277)
TOTAL RS.	4,314,615	17,722,300

32. Employee Benefit Expense :

	As At March 31st 2013	As At March 31st 2012
Salary,Wages, Allowances, Perquisites, Leave Encashment & Others	18,824,972	20,689,199
Directors Remuneration	2,318,400	2,318,400
Bonus	350,844	381,071
Provident Fund	800,846	843,479
Gratuity	384,268	242,957
Staff Welfare	1,170,936	1,266,649
TOTAL RS.	23,850,266	25,741,755

33. Finance Costs :

	As At March 31st 2013	As At March 31st 2012
Interest to Bank	17,058,299	26,800,216
Interest to Others	6,942,472	2,709,015
Other Borrowing Costs	3,634,353	8,797,182
Exchange Rate Difference	(494,375)	1,919,655
TOTAL RS.	27,140,749	40,226,068

34. Operation & Other Expenses :

	As At March 31st 2013	As At March 31st 2012
(1) Manufacturing Expenses		
Power and Fuel	1,541,178	2,928,032
Repairs & Maintainance - Plant and Machinery	1,016,252	1,418,042
Manufacturing Processing Cost	31,532,036	36,880,592
Carting, Freight, Octroi Inwards	3,600,446	2,133,078
Other Mfg. Expenses	239,364	341,280
TOTAL Rs.(a)	37,929,276	43,701,024
(2) Administrative & Other Expenses		
Repairs & Maintainance - Building	198,592	80,549
Repairs & Maintainance - Others	969,571	595,229
Rent, Rates and Taxes	604,208	659,819
Traveling and Conveyance expenses	5,174,654	4,084,066
Communication and Printing expenses	1,064,300	1,338,281
Legal and Professional Fees	3,532,755	2,973,500
Insurance Premium	652,038	547,555
<i>Auditors Remuneration</i>		
Statutory Audit Fees	180,000	175,000
Others	30,000	80,000
Directors Sitting Fees	110,000	105,000
Research and Development Expenses	2,836,656	2,765,723
Donation	225,000	148,200
Lease Rent Paid	450,000	300,000
Prior Period Expenses	995,474	1,486,111
Contractual Deductions and other Bad Debts Written Off	22,062,495	4,918,179
Loss on Commodity Derivatives	-	244,675
Loss on Sale of Assets	-	73,737
Security Charges	1,137,371	1,004,206
Exchange Rate Difference	-	2,340,714
Other Administrative Expenses	1,419,553	1,622,863
TOTAL Rs.(b)	41,642,667	25,543,407
(3) Selling & Distribution Expenses		
Business Promotion Expenses	602,794	963,423
Freight / Clearing & Forwarding Charges on Sales (net of recoveries)	8,441,099	4,241,402
Commission	1,074,136	3,355,924
Exhibition & Seminar Expenses	-	1,493,886
Misc. Selling and Distribution Exps	1,078,157	656,094
TOTAL Rs.(c)	11,196,186	10,710,729
TOTAL RS. (a) + (b) + (c)	90,768,129	79,955,160

35. Depreciation & Amortization Expenses :

	As At March 31 st 2013	As At March 31 st 2012
Depreciation on Tangible Assets	10,251,894	10,693,965
Amortization on Intangible Assets	2,115	2,392
TOTAL RS.	10,254,009	10,696,357

36. C.I. F. Value of Imports

Item	2012-2013	2011-2012
Raw Materials	78,22,908	2,02,39,578
Silicon Steel	Nil	1,28,48,955
Total	78,22,908	3,30,88,533

37. Expenditure in Foreign Currency

Item	2012-2013	2011-2012
Foreign Travel	5,58,220	1,00,128
Inspection, Machinery Imports and Others	2,83,520	18,626
Interest on External Commercial Borrowings	1,08,466	5,08,791
Total	9,50,206	6,27,545

38. Consumption of Raw Materials

Item	2012-2013		2011-2012	
	Amount	Percentage	Amount	Percentage
Imported	67,96,093	1.20	3,39,21,294	5.19
Indigenous	56,05,08,771	98.80	62,07,52,087	94.81
Total	56,73,04,864	100.00	65,46,73,381	100.00

Class of Goods	2012-2013 Amount	2011- 2012 Amount
Silicon Steel	10,31,46,965	13,72,42,502
Copper Wire	21,47,08,996	19,41,92,860
Aluminium	76,03,998	3,34,56,510
Transformer Oil	5,03,49,051	7,41,76,734
Others	19,14,95,854	21,56,04,775
Total	56,73,04,864	65,46,73,381

39. Dividends to Non-Resident Shareholders

Particulars	2012-2013	2011-2012
Net Dividend paid in Foreign Currency (stated in Rupees)	4,98,550	4,98,550
Number of non-resident shareholders	2	2
Number of equity shares held by such non resident shareholders	571,150	571,150

40. Earnings in Foreign Currency

Particulars	2012-2013	2011-2012
Export of Goods on FOB basis Amount realized during the year Rs 9,43,79,083/- (Previous Year Rs.8,39,51,896/-)	17,46,67,377	6,82,69,653

41. Post Employment Benefits:

Provident Fund dues amounting to Rs. 8,00,846 (PY Rs. 8,43,479) 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. 9,71,463 (p.y. Rs. 9,58,653) has been determined as obligation as at the year end. The current year cost including actuarial gains / losses of Rs. 4,01,847/- (p.y Rs. 5,23,136/-) has been charged to the Statement of Profit and Loss Account and the benefit pay out of Rs. 3,89,037/- (p.y Rs. 5,64,705/-) has been deducted from the overall liability which is unfunded.

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. 10,00,000) 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 2013	As At March 31st, 2012
Present Value of Obligations as at beginning of the Year	3,322,557	3,063,682
Interest Cost	2,65,805	245,095
Current Cost	2,26,976	222,244
Benefits Paid	(4,88,689)	(205,077)
Actuarial (gains) / losses on obligation	1,02,881	(3387)
Present Value of Obligations as at the end of the Year	34,29,530	3,322,557
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning of the Year	25,76,519	2,460,601
Expected Return on Plan Assets	2,11,394	220,995
Contributions	11,000	100,000
Benefits Paid	(4,88,689)	(205,077)
Actuarial (gains) / losses on Plan Assets	Nil	Nil
Fair Value of Plan Assets as at the end of the Year	23,10,224	2,576,519
Defined Benefit Obligation as recognized in Balance Sheet		
Present Value of Obligations as at the Year end	25,76,519	3,322,557
Unrecognized Past Service Cost	Nil	Nil
Fair Value of Plan Assets as at the Year end	23,10,224	2,576,519
Net (Asset) / Liability recognized in Balance Sheet	11,19,306	746,038
Net Gratuity Benefit Expenditure Recognized in P&L		
Current Service Cost	2,26,976	222,244
Interest Cost	2,65,805	245,095
Expected Return on Plan Assets	(2,11,394)	(220,995)
Net Actuarial (Gain) / Loss Recognized in the Year	1,02,881	(3387)
Net Expense Recognized in Statement of Profit and Loss	3,84,268	242,957
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	31.03.2013 Rs. in lacs	31.03.2012 Rs. in lacs
⇒ Lease Payments recognized in the Statement of Profit and Loss	4,50,000	3,00,000
⇒ 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	2012-2013	2011-2012
Amount used as numerator Profit after Taxation	Rs.	12,921,961	41,87,926
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.	3.39	1.10

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.)	
			2013	2012	2013	2012
E-Cube India Solutions Ltd.	Associate	Administration Expenses Recovered (net)	NIL	Nil	1,76,798	1,76,798
		Sales	85,090	29,235	82,141	15,492
Mr. Alay Shah	Key Management Person	Managerial Remuneration	23,18,400	23,18,400	1,83,000	1,58,000
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)	7,31,375	6,37,200	45,900	59,900
		Perquisite of Electricity	1,57,998	1,52,132	Nil	Nil
		Lease rent paid	4,50,000	3,00,000	1,57,500	22,500
Mr. Jitendra Shah	Key Management Person	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, 2013 Nil (P.Y. Nil)	Nil	
Particulars of Un-hedged Foreign Currency Exposure	31.03.2013 Rs.	31.03.2012 Rs.
⇒ Sundry Creditors	9,29,972	96,70,037
⇒ Sundry Debtors	9,85,69,058	82,22,954
⇒ External Commercial Borrowings	Nil	29,99,499
⇒ Packing Credit in Foreign Currency (USD)	9,36,70,839	1,44,70,565
⇒ Packing Credit in Foreign Currency (EURO)	17,92,287	22,88,010

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 a new land for future expansion purposes in the preceding financial year. The company has incurred various expenditures in relation to the said land for the purpose of the development of the same. The development cost incurred in respect of the said land has been accounted under the head of Capital Work in Progress.
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	2012-2013 (Rs.)	2011-2012 (Rs.)
Remuneration	23,18,400	23,18,400
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. The figures in respect of previous year have been regrouped / recast wherever necessary to confirm to the current years' classification.

Signature to Notes 1 – 53

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

For **SHILCHAR TECHNOLOGIES LIMITED**

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

ALAY SHAH **JITENDRA SHAH**
MANAGING DIRECTOR **CHAIRMAN**

Place : Vadodara
Date : 04th May 2013

Place : Vadodara
Date : 04th May 2013



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 Seventh Annual Meeting of the Company, to be held on 10th August 2013 and at any adjournment thereof.

As Witness my/our hands this _____ day of _____ 2013

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 Seventh Annual General Meeting of the Company held at Registered Office of the Company at Bil Road, Bil-391 410, Dist. Baroda on 10th August 2013.

Signature (s)

IMPORTANT

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

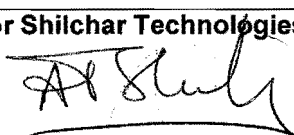

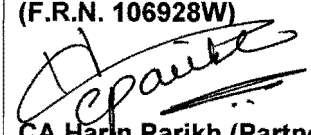
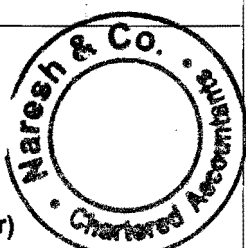
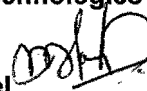


**SHILCHAR
TECHNOLOGIES LIMITED**

Bil Road, Bil 391 410, Dist. Baroda, India.
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email : info@shilchargroup.com
Visit us at www.shilchargroup.com

FORM A

ANNUAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2013

1.	Name of the Company	:	Shilchar Technologies Limited Scrip Code / Symbol : BSE: 531201
2.	Annual Financial Statements for the year ended	:	31 st March, 2013 (2012-2013)
3.	Type of Audit Observation	:	Unqualified
4.	Frequency of Observation a. Whether appeared first time b. Repetitive c. Since how long period	:	Not Applicable : : --- : : --- : : ---
5.	To be signed by	:	
	CEO / Managing Director	:	For Shilchar Technologies Limited  Alay J. Shah (CEO & Managing Director) 
	CFO	:	NIL
	Auditor of the Company	:	For Naresh & Co. Chartered Accountants (F.R.N. 106928W)  CA Harin Parikh (Partner) Membership No. 107606 
	Audit Committee Chairman	:	For Shilchar Technologies Limited Mukesh D. Patel  (Chairman-Audit Committee) 