



ANNUAL REPORT 2013-2014



**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. Jahangir H Parabia	w.e.f. 01-08-2013

BANKERS

Bank of Baroda

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 Eighth 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, in the State of Gujarat on Thursday, the 14th day of August, 2014 at 3.00 p.m. to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the audited statement of Profit and Loss Account for the year ended 31st March, 2014 and audited 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 financial year ended 31st March, 2014.
3. To appoint a Director in place of Mr. Ashesh Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

Special Business:

5. **To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

“RESOLVED THAT in accordance with applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Mr. Jahangir H. Parabia (holding DIN 00052205), who was appointed as a Director of the Company by the Board of Directors at its meeting held on 10.08.2013 and who holds office upto the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013 and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Jahangir H. Parabia as a candidate for the office of Director of the Company, be and is hereby appointed as a Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019 whose period of office shall be liable to determination by retirement by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. **To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Omprakash P. Khanna (holding DIN 00304268), Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019 whose period of office shall not be liable to determination by retirement by rotation.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. **To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Mukesh D. Patel (holding DIN 00009605) Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from April 01, 2014 up to March 31, 2019 whose period of office shall not be liable to determination by retirement by rotation.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“RESOLVED THAT subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) consent of the Company be and is hereby accorded to the increase in terms of Remuneration of Mr. Alay Shah, Managing Director and to pay him increased remuneration of Rs.2.50 lacs per month with effect from 01.10.2013 upto 30.09.2014, with other terms & conditions remains unchanged as per the resolution passed by the shareholders in their Annual General Meeting held on 28.07.2010.

RESOLVED FURTHER THAT subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) consent of the Company be and is hereby accorded to the re-appointment of Mr. Alay Shah as Managing Director of the Company for a further period of three (3) years from 01.10.2014 up to 30.09.2017 on the terms and conditions including remuneration set out in the draft Agreement



to be entered into between the Company and Mr. Alay Shah with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Alay Shah provided that the remuneration payable to Mr. Alay Shah shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

“RESOLVED that in supersession of the Ordinary Resolution adopted in 22nd Annual General Meeting held on 30th July, 2008 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total money borrowed and the outstanding at any point of time, apart from temporary loans obtained/ to be obtained from Company’s Bankers in ordinary course of business, shall not be in excess of Rs. 500 Crores (Rupees Five Hundred Crores) over and above the aggregate of paid up capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

10. **To consider and, if thought fit, to pass, with or without modification, the following resolution as an Special Resolution:**

“RESOLVED THAT in supersession of the Ordinary Resolution adopted in 22nd Annual General Meeting held on 30th July, 2008 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company and / or any one of the Directors authorized by the Board to mortgage and / or to create a charge, on all immovable properties and movable assets and properties of the Company where so ever situated at the present time and in the future, and upon the whole of the undertaking of the Company and / or conferring powers in favour of any lending institutions / Banks to enter upon and take possession of the assets of the Company, for the purpose of obtaining Secured Loans of an amount not exceeding Rs.500 Crores (Rupees Five Hundred Crores Only) advanced / agreed to be advanced to the Company.”

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

Place: Bil, District Vadodara
Date: 24.05.2014

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 Ashesh Shah
Date of Birth	06.06.1964
Date of Appointment	13.01.1986
Expertise in Specific Functional Area	Marketing and Corporate Management
Qualifications	Bachelor of Science with Electronics Engineering
Directors in other public limited companies	E Cube India Solutions Limited
Other positions	NIL
Membership of committees in other public limited companies	NIL
Shares held in the company	1900



NOTES:

1. The Register of members and Share Transfer Books of the Company will remain closed from Sunday, **10th day of August, 2014 to Thursday, 14th day of August, 2014** (both days inclusive) for annual closing and determining the entitlement of shareholders to the final dividend for 2014.
2. The Explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to the special business at the meeting, is annexed hereto.
3. **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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.**
4. The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
5. With effect from April 01, 2014, *inter-alia*, provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Accordingly, Mr. Ashesh Shah, Non-Executive Promoter Director will retire at the ensuing annual general meeting and being eligible offers himself for re-appointment.
6. In terms of clause 49 of the listing agreement details of director retiring by rotation at the ensuing annual general meeting is given in annexure to this notice.
7. Statement as required under section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
8. Subject to the provisions of section 126 of the Companies Act, 2013, dividend as recommended by the Directors for the year ended 31st March, 2014, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 14th August, 2014 and in respect of shares held in dematerialised form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on 14th August, 2014. The dividend warrants will be posted on or about 13th September, 2014.
 - 8.1 *In respect of shares held in electronic/demat form, beneficial owners are requested to notify any change in their address, bank account, mandate, etc. to their respective Depository Participant.*
 - 8.2 *Members holding shares in physical form are requested to notify any change in their address, bank account, etc. to the Company or to the Registrar and Transfer Agent.*
 - 8.3 *With a view to prevent fraudulent encashment of dividend warrants, Members holding shares in physical form are advised to furnish particulars of their bank account together with their 9 digit MICR code number for recording the same.*
9. The Registrar and Transfer Agent (RTA) of the of the Company having their office situated at MCS Limited, Neelam Apartment, 88, Sampatrao Colony, R. C. Dutt Road, Alkapuri, Vadodara-390 007 ,in the State of Gujarat is handling registry work in respect of shares held both in physical form and in electronic/demat form. 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 RTA or at the registered office of the Company.
10. Pursuant to sub-section (5) of Section 205A of the Companies Act, 1956, dividend for the financial year ended **31.03.2007** and thereafter, which remain unclaimed for a period of 7 years from the date of transfer of the same as referred to in sub-section (1) of Section 205A of the Companies Act, 1956, will be transferred to the Investor Education and Protection Fund of the Central Government established under sub-section (1) of Section 205C of the Companies Act, 1956.
11. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
12. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
13. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the annual report /notice for attending the meeting.
15. 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.
16. 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.



16. 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.
17. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the registered office of the Company during normal business hours (9.30 a.m. to 5.00 p.m.) on all working days except Sundays, upto and including the date of Annual General Meeting of the Company.

18. Voting through electronic means

Pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For members holding shares in Demat Form	
PAN Number	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department and registered with the DP/RTA. In respect of physical shareholding as well as those holdings shares in Demat form and have not provided or whose PAN is not registered, enter your unique PAN/Default Value No. printed on the bottom of Attendance slip additionally attached herewith the Annual Report for your ready reference.
DOB/Dividend Bank Details*	Enter the date of birth as registered with the DP/RTA in dd/mm/yyyy format of Enter the dividend bank details as recorded with your DP/RTA. In respect of Physical shareholding and whose DOB and Dividend bank details are not registered with DP/RTA those can enter No. of shares held by you as on the cut off date i.e. 18.07.2014

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.



- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Thursday, 7th August, 2014 (9.00 a.m.) and ends on Saturday, 9th day of August, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

General:

- (a) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (b) Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (c) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 18th July, 2014.
- (d) Mr. Hemang M. Mehta, Practising Company Secretary, Vadodara, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (e) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (f) The results shall be declared on or after the AGM of the Company. The e-voting results along with the scrutinizer's report shall be placed in the Company's website www.shilchargroup.com and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
- (g) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (h) In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.



ANNEXURE TO THE NOTICE

Statement pursuant to section 102 of Companies Act, 2013, in respect of item nos. 5 to 10 of the Notice and details pursuant to clause 49 of the listing agreement:

Item no. 5

The Board of Directors at their meeting held on 10th August, 2013, appointed Shri Jahangir H. Parabia as an Additional Director of the Company to take effect from 10th August, 2013. Shri Jahangir H. Parabia holds office upto the date of the forthcoming Annual General Meeting. Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing the candidature of Mr. Jahangir H. Parabia for the office of Director.

Shri Jahangir Hiraji Parabia, aged 70 years, is a Bachelor of Arts. He is a Founder and Managing Director of J. H. Parabia (Transport) Private Limited; company specialized in Transportation of Super Heavy over Dimensioned equipments, Material Management and Erection of Power Transformers with Pan India Presence.

He is having rich experience and business acumen in handling various facets of corporate World, India and abroad. Shri Jahangir H. Parabia is Chairman of Remuneration Committee of Directors and Member of Audit Committee and Shareholders and Investors' Grievance Committee of the Board, respectively. Shri Jahangir H. Parabia does not hold any shares in the Company. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Jahangir H. Parabia as an Independent Director. Accordingly, the Board recommends this resolution.

Except Shri Jahangir H. Parabia no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 5 of the Notice.

Item no. 6

Shri Omprakash P. Khanna, aged 76 years, holds B. Tech (Hons.) in Mechanical Engineering from IIT, Kharagpur and holds Post Graduate degree in Manufacturing Management from ZIS Halle, Germany. He is a fellow members of Institution of Electrical Engineering (UK), Institution of Industrial Engineering, (India) and Indian Institute of Production Engineers, (India), respectively. He is having over 50 years of industrial experience while working various esteemed industrial houses of India and abroad. He has won many national and international awards during his working career. He was actively involved at national and state level of professional bodies. Shri O. P. Khanna is Member of Audit Committee and Remuneration Committee of the Board, respectively. Shri O. P. Khanna does not hold any shares in the Company.

Shri O. P. Khanna has been an Independent Director pursuant to clause 49 of the listing agreement on the Board of the Company since 1995. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Shri O. P. Khanna fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Shri O. P. Khanna is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri O. P. Khanna as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri O. P. Khanna as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Shri O. P. Khanna shall not be liable to retire by rotation. Except Shri O. P. Khanna being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Item no. 7

Shri Mukesh D. Patel, aged 65 years, is a graduate in Chemical Engineering, having over 40 years of experience in various areas of finance and Corporate Management at Director Level and had also played active role in various management associations. Shri Mukesh D. Patel is Chairman of Shareholders and Investors' Grievance Committee and Audit Committee of the Board, respectively.

Besides, Shri Mukesh D. Patel is Chairman & Managing Director on the Board of Transpek Finance Limited and holds directorships on the Board of Transpek Industry Limited, Punjab Chemicals and Crops Protection Limited, Banco Products (India) Limited and Universal Esters Limited. He is Member of the Audit Committee and Chairman of the Shareholders and Investors' Grievance Committee on the Board of Punjab Chemicals and Crops Protection Limited. He is Chairman of the Audit Committee on the Board of Transpek Industry Limited. He is Member of the Audit Committee and Shareholders and Investors'



Grievance Committee on the Board of Banco Products (India) Limited. He is also Member of Shareholders and Investors' Grievance Committee on the Board of Transpek Finance Limited. Shri Mukesh D. Patel does not hold any shares in the Company.

Shri Mukesh D. Patel has been an Independent Director pursuant to clause 49 of the listing agreement on the Board of the Company since 1995. With the enactment of the Companies Act, 2013 ('Act') it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act and ensure that at least 1/3rd of the total number of directors are Independent Directors. The Board of Directors of your Company, after reviewing the provisions of the Act, are of the opinion that Shri Mukesh D. Patel fulfills the conditions specified in the Act and the Rules made there under to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your Company is also of the opinion that Shri Mukesh D. Patel is independent of the management of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Mukesh D. Patel as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Mukesh D. Patel as an Independent Director pursuant to provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the Company. In terms of provisions of section 149(13) of the Act, Shri Mukesh D. Patel shall not be liable to retire by rotation. Except Shri Mukesh D. Patel being an appointee, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Item no. 8

Shri Alay Shah was lastly re-appointed as Managing Director for a period of five years with effect from 1st October, 2010. The members of the Company had approved the said reappointment and terms of remuneration payable to Shri Alay Shah in their Annual General Meeting held on 28.07.2010. The present tenure of Shri Alay Shah, Managing Director will expire on 30th September, 2015.

The Board of Directors on receiving recommendation from the Remuneration Committee had approved the increase in remuneration of Shri Alay Shah, Managing Director from Rs. 2 Lacs to Rs.2.50 Lacs per month, making effective from 01.10.2013 till completion of his present terms upto 30.09.2015.

Later on with the introduction of Companies Act, 2013, it has been proposed to foreclose existing tenure of Shri Alay Shah, Managing Director and appoint him as Managing Director of the Company under the applicable provisions of Companies Act, 2013 with revised terms of remuneration, making effective from 01.10.2014. In view of his excellent leadership and contribution to the growth and performance of the Company, the Nomination and Remuneration Committee and the Board of Directors at their respective Meetings held on 24th May, 2014 approved the re-appointment of Shri Alay Shah, Managing Director for a further period of 3 years from 1st October, 2014 on remunerations, terms and conditions contained in the draft agreement placed before this meeting.

Shri Alay Shah is son of Mr. Jitendra Shah, the Chairman and founder Director of the Company. He has been associated with the Company as one of the Promoter Directors since its incorporation. He is a bachelor of science with specialization in electronics and possesses more than 22 years of experience in the various areas of business including production, finance, marketing and administration. He has been holding Directorship in E Cube India Solutions Ltd., a group company and Prowess Engineering Private Limited. Besides, he holds membership in Shareholders and Investor Grievance Committee of the Company and attends meetings of the Audit Committee as Invitee.

Shri Alay Shah has been shouldering the responsibility of Managing Director since 1991. During his tenure, the Company has, year after year, achieved sizeable turnover, profitability and also dividend payout since 2005-06. In addition to look after and monitor day to day affairs, he was instrumental and played a pivotal role in introducing "Green Transformers" for renewable energy sector. Although Indian Transformer Industry has been facing challenging time for quite some time, but with his untiring efforts and business acumen he has eventually put the Company on the path of growth and success and produced substantial improvement in the turnover and profitability. He currently oversees manufacturing activities, projects, international sales, materials management and corporate finance of the Company.

The varied experience, leadership qualities and excellent managerial capability will continue to contribute to the growth of the Company.

The terms and conditions of his appointment are as under:

Period of Appointment:

From 1st October, 2014 to 30th September, 2017.

Remuneration:

By way of Salary, not exceeding Rs. 7,00,000/- p.m. or Rs. 84,00,000/- per annum with annual increment at such rate as may be approved by the Board of Directors.



In addition to the salary, Shri Alay Shah shall also be entitled to perquisites, allowances, amenities which interalia includes conveyance allowance, entertainment allowance, special allowance, annual bonus/ex-gratia, leave travel assistance for self and family, education assistance, medical reimbursement, club fees, personal accident insurance, use of Company car with driver for official purposes, telephone at residence, communication facility, contribution to provident fund, superannuation fund, payment of gratuity, leave encashment at the end of the tenure and any other allowance and reimbursement as may be agreed upon between the Managing Director and the Company from time to time, provided that the said perquisites and allowances shall be valued as per the Income Tax rules / norms, wherever applicable. In the absence of any such rules, the perquisites and allowances shall be evaluated at actual cost.

In addition to salary, perquisites and allowances payable, Shri Alay Shah, Managing Director shall also be entitled to annually receive Commission, as may be decided by the Board of Directors at the end of each financial year, calculated with reference to the net profits of the Company.

Overall Remuneration:

Provided further that the aggregate amount of remuneration covering salary, allowances, perquisites and commission payable to Shri Alay Shah, Managing Director and in aggregate to all such Directors should not exceed the prescribed percentage of the Net Profit of the Company in each year as provided under Sections 197 and 198 of the Act read with Schedule V of the Companies Act, 2013.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Shri Alay Shah, if the Company has no profits or its profits are in-adequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Section II (A) of Part II of the Schedule V to the Companies Act, 2013 and any amendments thereto.

Entrusted Duties:

Subject to the supervision and control of the Board of Directors of the Company, the Managing Director shall look after the day to day affairs and overall operations of the Company and shall carry out such other duties as may be entrusted to her by the Board of Directors from time to time.

Confidentiality:

Shri Alay Shah will perform his duties truly and and comply with the directives given to her from time to time by the Board, and further not disclose to any person, firm or Company any confidential information.

Not Liable to Retire by Rotation:

During his tenure as Managing Director of the Company, the office of Shri Alay Shah shall not be reckoned for the purpose of arriving Directors liable to retire by rotation.

Sitting Fees:

As long as Shri Alay Shah functions as Managing Director, he will not be paid any sitting fees for attending the meetings of the Board of Directors or any committee(s) thereof.

Re-imbusement of Expenses, Costs etc.:

Shri Alay Shah shall be entitled to be paid / reimbursed all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

Termination:

Either party shall have liberty to terminate the aforesaid appointment, by giving six months notice in writing to the other.

Arbitration:

Disputes to be settled by arbitration.

The copy of the draft Agreement as referred to in the resolution will be available for inspection by the members at the Registered Office of the Company on all working days between 10.00 a.m. to 1.00 p.m. except Saturdays and holidays.

Shri Alay Shah holds 10,85,095 equity shares of the Company.

Shri Alay Shah himself and Shri Jitendra Shah, Chairman and Shri Ashesh Shah, Director who are relatives of Shri Alay Shah are only deemed to be considered as interested directors.

The Board of Directors feels that aforesaid re-appointment of Mr. Alay J. Shah as Managing Director is in the interest of the Company and therefore, recommends the resolution set out at item no. 9 of this notice.

In terms of provisions contained in section II of Part II (A) of Schedule V of the Companies Act, 2013, the relevant details regarding the performance of the Company and of the respective appointees is furnished hereunder:



General Information:

1) Nature of Industry	:	Manufacturing of "Distribution and Power Transformers" as well as "Electronics and Telecommunication Transformers".
2) Date of Commencement of Commercial Production	:	1988 for E & T Transformers & 2005 for D & P Transformers.
3) Financial Performance for the Financial Year ended 31.03.2014	:	Turnover: Rs. 10270.58 Lacs Net Profit: Rs. 418.35 lacs Debt Equity: 0.84 Current Ratio: 1 : 15 Net Worth: Rs. 2452.34 lacs
4) Export Performance	:	Rs. 4754.36 lacs
5) Foreign Investment or Collaboration	:	NIL

Information about the Appointees:

Shri Alay Shah has been associated with the Company as one of the Promoter Directors since its incorporation. He is a bachelor of science with specialization in electronics and possesses more than 22 years of experience in the various areas of business including production, finance, marketing and administration.

Reorganization of Awards:

The 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.

Job Profile and Suitability:

Shri Alay Shah, Managing Director is responsible for the day to day management of the Company. He is actively involved in various areas of business including production, finance, marketing and administration. He is working under the Superintendence and control of the Board of Directors.

Remuneration Proposed:

Shri Alay Shah, Managing Director, shall be paid consolidated remuneration by way of Salary, perquisites and Allowance, subject to a maximum of Rs.7,00,000/- p.m. or Rs. 84,00,000/- p.a. with such break-up and inclusive of salary, perquisites and allowances as may be agreed between him and the Company.

Provided that the Board or any Committee thereof, be and is hereby authorized in its absolute discretion and from time to time, to fix within the limits prescribed under Schedule V [Section II of Part II (A)] of the Companies Act, 2013, the remuneration payable to Managing Director.

In addition to above mentioned remuneration, the above appointees shall be entitled to the following perquisites and allowances, which shall not be included in computation of said ceiling limit for the remuneration:

- Company's contribution to provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.
- Gratuity payable as per the rules of the Company.
- Leave encashment at the end of the tenure.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Shri Alay Shah, Managing, if the Company has no profits or its profits are in-adequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above.

Comparative Remuneration, Profile with respect of Industry:

The proposed remuneration to the above appointees is in commensurate to the size of units in the industry.

Pecuniary Relationship:

Shri Alay Shah is related to Shri Jitendra Shah, Chairman of the Board and Shri Ashesh Shah, Non-executive Director.



Other Information:

Reason for inadequacy of profits, steps taken for improvement and expected increased in productivity:

The main reasons for inadequacy of profits are raising cost of raw materials and fuels, foreign exchange fluctuation, prevailing inflationary pressure and slow down in power sector. Effective steps are taken to improve the performance of the Company which has been witnessed during last couple of years.

Item no. 9 & 10

In terms of provisions of section 293(1)(d) of the Companies Act, 1956, approval of the members was required, by passing ordinary resolution, to borrow monies in excess of the aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose. The members of the Company at their 22nd Annual General Meeting held on 30th July, 2008 had accorded approval to borrow monies upto a limit of Rs. 500 crores.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that Board of Directors shall not borrow money in excess of the Company's paid up capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of its business, except with the consent of the Company accorded by way of special resolution.

It is therefore necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at item no. 9 of this Notice, to enable the Board of Directors to borrow money in excess of the Company's paid up capital and free reserves. Approval of members is being sought to borrow money upto Rs. 500 Crores (Rupees Five Hundred Crores Only) in excess of the Company's paid up capital and free reserves.

Furthermore, within its borrowing limits, the Company has been availing term loans/ working capital facilities from the institutions/ banks to meet its fund requirement. As per the loan agreement entered / to be into with the lenders, the Company has to agree to create mortgage and / or charge in favour of the concerned lenders on its movable/ immovable properties. This attracts provisions of Section 180(1)(a) [previously section 293 (1)(a) of the Companies Act, 1956] of the Companies Act, 2013, which necessitates approval of the members by way of Special Resolution as set out at item no. 10 of this Notice.

None of the Directors is concerned with or interested in these resolutions. Both the resolutions are respectively recommended for members' approval.

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

Place: Bil, District Vadodara
Date: 24.05.2014

ALAY SHAH
MANAGING DIRECTOR



SHILCHAR TECHNOLOGIES LIMITED

PROXY FORM

CIN: L29308GJ1986PLC008387
 Regd. Office: Bil Road, Bil-391410, District: Vadodara (Gujarat)
 Tel +91 992448207, Fax: 0265-2680611
 Website: www.shilchargroup.com
 E-mail: info@shilchargroup.com

Name of the Member(s):
Registered address:
E-mail ID:
Folio No/DP ID-Client ID:

I/We being the Member(s), holding _____ of the above named company, hereby appoint:

1	Name Address Email id	Signature
2	Name Address Email id	Signature
3	Name Address Email id	Signature

As my / our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting to be held on 14th August, 2014, at 3.00 p.m. at registered office of the Company situated at Bil Road, Bil- 391 410, District Vadodara and adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of Financial Statements for the year ended 31.03.2014.
2. Approval of Dividend for the year ended 31.03.2014.
3. Re-appointment of Shri Ashesh Shah, who retires by rotation.
4. Appointment of M/s. Naresh & Co., Chartered Accountants, Vadodara as Auditors and fixing their remuneration.

Special Business:

5. Ordinary Resolution for Appointment of Mr. Jahangir H. Parabia, as an Independent Director of the Company.
6. Ordinary Resolution for Appointment of Mr. Omprakash P. Khanna, as an Independent Director of the Company.
7. Ordinary Resolution for Appointment of Mr. Mukesh D. Patel, as an Independent Director of the Company.
8. Special Resolution for Re-appointment of Mr. Alay Shah as Managing Director of the Company for a further period of three (3) years from 01.10.2014 up to 30.09.2017.
9. Special Resolution under Section 180(1)(c) of the Companies Act, 2013, for borrowing up to Rs. 500 Crores over and above the paid up share capital and free reserves of the Company.
10. Special Resolution under Section 180(1)(a) of the Companies Act, 2013, for creation of security.

In this ___ day of _____, 2014

Signature of shareholder: _____ Signature of Proxy holder(s): _____

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company



SHILCHAR TECHNOLOGIES LIMITED

CIN: L29308GJ1986PLC008387
Regd. Office: Bil Road, Bil-391410, District: Vadodara (Gujarat)
Tel +91 992448207, Fax: 0265-2680611
website: www.shilchargroup.com
e-mail: info@shilchargroup.com

ATTENDANCE SLIP

Name of the Member(s):
Registered address:
E-mail ID:
Folio No/DP ID-Client ID:

Number of Shares held:

--

I/We certify that I/We are member / proxy of the Company.

I/We hereby record my/our presence at the 28th Annual general Meeting of the Company to be held at its registered office at 3.00 p.m. on Thursday, 14th day of August 2014.

Name of the Member / Proxy
(In Block Letters)

Signature of the Member / Proxy

Note: Please fill this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual report 2013-14 for the meeting.

ELECTRONICS VOTING PARTICULARS

E VOATING EVENT NUMBER (EVEN)	UserID	PAN / Default Value No.

Note : Please read the instructions printed under the note no. 18 to the notice of 28th Annual General Meeting dated 24-5-2014



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Eighth Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March 2014.

1. Financial Results:

Particulars	[Rupees in Lacs]	
	2013-14	2012-13
Revenue from Operations	10043.41	7274.29
Other Income	227.17	154.44
Total Revenue	10270.58	7428.73
Less: Expenses before Interest and Depreciation	9236.98	6862.37
Less: (a) Interest	234.30	271.41
(b) Depreciation	106.32	102.54
Profit before Tax & Extra Ordinary Items	692.98	192.40
Add: Excess Provision for Expenses Written Back	1.56	0.35
Less: Prior year's Income Tax Adjustment	3.57	1.23
Profit Before Tax	690.97	191.52
Less: Tax Expenses		
Current Tax	247.00	75.50
Deferred Tax	25.62	(13.20)
Profit after Tax	418.35	129.22
Balance brought forward from previous year's amount available for appropriation	1089.91	982.82
Balance available for appropriation	1508.26	1112.06
APPROPRIATION		
Proposed Dividend on Equity Share	38.13	19.07
Corporate Dividend Tax on above	6.48	3.09
Balance Carried over to next year	1463.65	1089.91

2. Dividend:

For the year under review, your Directors have recommended a dividend of Rs.1/- per share (i.e. 10%) 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.38,13,400/- plus dividend distribution tax of Rs. 6,48,087/-.

3. Operational Highlights:

The Company earned operational income of Rs. 10043.41 lacs compared to Rs. 7274.28 lacs for the previous year, depicting a growth of 38.06%. The other income is Rs.227.17 lacs compared to Rs. 154.44 lacs in the previous year.

The total revenue for the year is Rs.10270.58 lacs against Rs. 7428.73 lacs in the previous year. Profit after tax is Rs. 418.35 lacs as compared to previous year figure of Rs.129.22 lacs, witness a spur of 223.75%.

During the period under review, Global economic activity showed signs of stabilization. In emerging market economies, domestic demand remained subdued while demand from advanced economies helped their exports. The improvement in growth and employment prospects in the United States of America led to outward capital flows from emerging market economies. In 2013-14, like most emerging market economies, India faced capital outflows and intense exchange rate pressures coupled with persisting high inflation and increased interest rates. On account of several measures, the current account deficit however came into control and also recouped foreign exchange reserve.

Under the above challenging scenario, your Company has expanded its horizon on export front and successfully developed market for its renewable energy transformers. This has resulted in better contribution and improved 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. 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:

Shri Ashesh Shah retires by rotation, and being eligible, offer himself for re-appointment.

Shri Jahangir H. Parabia was appointed as Director (in the category of Independent Director) with effect from 10.08.2013. Shri J. H. Parabia holds office upto the date of the forthcoming Annual General Meeting.

Pursuant to applicable provisions of the Companies Act, 2013, the Board of Directors have classified Shri O. P. Khanna and Shri Mukesh D. Patel as Independent Directors.

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 consent alongwith Certificate from M/s. Naresh and Company to the effect that their re-appointment, if made, will be in accordance with the conditions as prescribed under the companies Act, 2013.

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 2013-14, 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 2013-14 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 2013-2014. The Cost Audit Report for the year ended 31st March, 2014 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: 24.05.2014

JITENDRA SHAH
CHAIRMAN



Annexure-1 to the Director's Report 2013-14
Management Discussion and Analysis

a) Industry Overview

Indian economy continued to remain sluggish during the whole year of 2013-14. The Infrastructure sector was one of the worst affected segments of the Indian economy and within infrastructure, power sector was the most badly affected. The sector faced plethora of problems. Many thermal power projects were delayed due to fuel problems. Hydropower projects were facing problems due to issues relating to land acquisition and protests by the locals. Many projects which were completed remained idle due to non-availability of natural gas. Prevailing tight liquidity condition only aggravated the situation.

Transformers are an indispensable component of an alternate current (AC) electrical system for electricity generation, transmission or distribution. In addition, the demand for transformers increases proportionately with the amplification of power generation, transmission or distribution networks in the country.

For power and distribution transformer industry, situation further deteriorated as the domestic demand remained depressed. Prevailing uncertainty in the power sector is doing no good to the Industry. In fact, number of companies reported negative bottom line during the year. Most of the companies were impacted by rising costs and dwindling sales. Also finance costs of almost all the companies have gone up sharply.

b) Opportunities

Power sector development programme in India has now gained momentum. Policy makers have realized that economic development of the country will be seriously jeopardized if due attention is not given to the power sector to ensure that sufficient and good quality electrical energy is made available to consumers at affordable price. As the power consumption increases, there is a need to transfer large amounts of power from generators to consumers. In India, there will be a significant growth in the T&D systems as the per capita power consumption increases to global levels and the per capita GDP moves closer the developed nations.

Ministry of Power, Government of India had envisaged a capacity addition of 86,500 MW in the 12th plan period. A corresponding plan for new investment and R&D is also conceived for the Transmission and Distribution segments in line with the National Electricity Plan and the Integrated Energy Policy.

Although large power project are spilling over and delayed, relatively number of small and medium sized power projects and sub-stations will be completed in the near future which indicates a prosper in demand for transformers. IEEMA (Indian Electrical and Electronics Manufacturers Association) along with government framed a policy to limit the imports of transformers from China and Korea along with changing government policies on import duty for CRGO steel is likely to further promote the domestic transformers industry in India.

Moreover, ageing transformers is creating potential for a booming replacement market. This demand is expected to be sustained by the growth in industrial demand.

c) Threats

Owing to cost advantage, Indian transformer industry continues to face tough competition from the Chinese manufacturers. Reliance on import for raw materials, specifically CRGO, is a major handicap for Indian transformer manufacturers in achieving faster turnaround time as well as lower production costs.

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 Distribution Transformers ranging from 5 KVA to 3000 KVA and Power Transformers ranging from 3000 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.

It is expected that the newly led government at centre will provide an environment conducive for growth & investments, with major reforms in infrastructure & renewable energy sector. With the continuous support from the government to promote the power transformer industry through investments, tax benefits, subsidies etc. will help the industry to grow over the coming years.

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 present scenario, your Company will endeavor to focus on updating its technical capabilities to develop transformers of latest technology and design and in turn strengthen its market share and improvise 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. Trainings 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 2013-14

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 2014

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	2013-14	2012-13
1.	Electricity:		
a)	Purchased		
	Unit	6,63,713	6,82,896
	Total Amount (in Rs.) – Gross	46,86,900	45,82,599
	Rate/ Unit	7.06	6.73
b)	Own Generation:		
i)	Through Diesel Generator		
	Diesel Qty (in Ltr)	1700	1904
	No. of Units Generated	7112	6663.20
	Total Amount (in Rs.)	102400	90847
	Unit per Ltr of Diesel Oil		
	Total Cost per Unit		
ii)	Through Steam	NIL	NIL
	Turbine/ Generator	—	—
	Unit	—	—
	Units per Ltr. of Fuel Oil/ Gas	—	—



2.	Coal (Specify quantity and - where used)	NIL	NIL
3.	Furnace Oil:		
	Quantity in Liters	NIL	NIL
	Total Amount	NIL	NIL
	Average Rate/ Liter	NIL	NIL
4.	Others:		
a)	Light Diesel Oil:		
	LDO Consumed in Liters	NIL	NIL
	Total Amount	NIL	NIL
	Average Rate/ Liter	NIL	NIL
b)	Wind Generation:		
	Generated Units	4,67,341	5,07,076
	Total Amount	34,45,208	34,12,620
	Average Rate/ Unit	7.06	6.73

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 31.03.2014, the Company spent Rs. 27.33 lacs on R & D activities, being 0.27% of its total turnover, as compared to Rs.28.36 lacs, being 0.38% 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	2013-14	2012-13
01.	Earning from Export during the year	47,25,44,514/-	17,46,67,377/-
02.	Outgo:		
	a) CIF value of Imports	1,11,92,200/-	78,22,908/-
	b) Expenditure in foreign currency	3,65,463/-	3,91,986/-
	c) Traveling	17,70,534/-	5,58,220/-

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

Place: Bil, District Vadodara

Date: 24.05.2014

ALAY SHAH
MANAGING DIRECTOR



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's 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 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, 2014, the Board of Directors had 7 (Seven) members comprising of 6 (six) Non-Executive Directors and Mr. Alay Shah, Managing Director, being the only Whole time/Executive Director.

The Non-Executive Directors included Mr. O. P. Khan, Mr. Mukesh D. Patel and Mr. Jahangir H. Parabia members who were Independent Directors. During the period under review, Mr. Kirtikant P. Shah, Non-Executive Director ceased to be an Independent Director. The Company shall appoint requisite independent director to ensure compliance of clause 49 of the listing agreement.

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

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

During the year under review, the Board of Directors met four times on 04.05.2013, 10.08.2013, 26.10.2013 and 13.02.2014.

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	100%
Mr. Ashesh J. Shah	NED	4	100%
Mr. Alay J Shah	MD	4	100%
Mr. Mukesh D. Patel	NED	4	100%
Mr. O. P. Khanna	NED	2	50%
Mr. Kirtikant.P. Shah	NED	0	0%
Mr. Jahangir H. Parabia	NED	3	75%

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. Mukesh D. Patel and Jahangir H. Parabia, Independent Directors, respectively attended the Annual General Meeting of the Company which was held on 10.08.2013.

(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	01	NIL	NIL
Mr. Ashesh Shah	01	NIL	NIL
Mr. Alay Shah	02	NIL	NIL
Mr. Mukesh Patel	05	02	08
Mr. O. P. Khanna	02	NIL	NIL
Mr. Kirtikant P Shah	NIL	NIL	NIL
Jahangir H. Parabia	02	NIL	NIL

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

A brief resume of respective Directors seeking reappointment at the 28th Annual General Meeting has already been provided hereinabove.

(e) Board Procedure

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

3. Audit Committee

(a) Terms of Reference

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

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

(b) Composition, name of members and Chairman

As on 31st March 2014, the Audit Committee comprised of 3 Non-Executive and Independent Directors viz. Mr. Mukesh Patel, Mr. O. P. Khanna and Mr. Jahangir H. Parabia, with the Mr. Alay Shah, being a Permanent Invitee to the Committee.

Mr. Mukesh D. Patel is a Chairman of the Audit Committee. All the members of Audit Committee have financial and accounting knowledge.

(c) Meetings and attendance during the year

Four meetings were held during the financial year 1st April, 2013 to 31st March, 2014. The attendance of each Member of the Committee is given below:

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



4. Remuneration Committee

(a) Terms of Reference

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

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

(b) Composition, names of members and Chairperson

As on 31st March, 2014, the Committee comprised of 3 Non-Executive Directors viz. Mr. O. P. Khanna and Mr. Jahangir H. Parabia, being Independent Directors and Mr. Kirtikant P. Shah. Mr. O P Khanna is the Chairman of the Committee.

(c) Attendance during the year

One (1) meeting of the Remuneration Committee was held on 13th February, 2014 during the financial year 1st April, 2013 to 31st March, 2014.

The attendance of each Member of the Committee is given below:

	Designation	No. of Meetings attended	% of total Meetings attended during the tenure as a Director
Mr. O. P. Khanna	Chairman	1	100%
Mr. Jahangir H Parabia	Director	1	100%
Mr. Kirtikant Shah	Director	NIL	0%

(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, 2013 to 31st March, 2014)

	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.26.61 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 30.09.2015 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 2013-14, 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, 2014, 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	10/08/2013	3:00 p.m.
(ii)	—— do ——	04/08/2012	3:00 p.m.
(iii)	——do ——	30/07/2011	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) 28 th AGM Date, Time and Venue	:	14th August, 2014 at 3.00 p.m. at Shilchar Technologies Limited, Bil Road, Bil, District Vadodara - 391 410.																																																				
(b) Financial calendar	:	i. April 2014 to March 2015																																																				
	:	ii. First Quarter 2014 Results – on or before 15 th August, 2014																																																				
	:	iii. Second Quarter/ Half yearly Results 2014 – on or before 15 th November, 2014																																																				
	:	iv. Third Quarter 2014 Results – on or before 15 th February 2015																																																				
	:	v. Audited Results for the Fourth Quarter/ Year ending 31 st March 2015, - on or before 31 st May, 2015.																																																				
(c) Date of Book closure	:	10.08.2014 to 14.08.2014 (both days inclusive)																																																				
(d) Dividend Payment date	:	On or after 14.08.2014, if declared at Annual General Meeting on 14.08.2014																																																				
(e) Listing on Stock Exchange.	:	The Company has paid Listing Fees for the period 1 st April, 2014 to 31 st March 2015 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	:	The High / Low market price of the shares during the year 2013-14 at the Stock Exchange, Mumbai were as under. <table border="1" data-bbox="703 1115 1445 1637"> <thead> <tr> <th>Month</th> <th>High</th> <th>Low</th> <th>Close</th> </tr> </thead> <tbody> <tr> <td>April, 2013</td> <td>63.90</td> <td>55.15</td> <td>55.15</td> </tr> <tr> <td>May, 2013</td> <td>59.00</td> <td>52.00</td> <td>59.00</td> </tr> <tr> <td>June, 2013</td> <td>61.75</td> <td>55.80</td> <td>55.80</td> </tr> <tr> <td>July, 2013</td> <td>59.90</td> <td>52.30</td> <td>52.30</td> </tr> <tr> <td>August, 2013</td> <td>49.70</td> <td>47.25</td> <td>49.50</td> </tr> <tr> <td>September, 2013</td> <td>47.25</td> <td>47.25</td> <td>47.2</td> </tr> <tr> <td>October, 2013</td> <td>46.25</td> <td>45.00</td> <td>46.20</td> </tr> <tr> <td>November, 2013</td> <td>50.90</td> <td>37.95</td> <td>40.15</td> </tr> <tr> <td>December, 2013</td> <td>46.05</td> <td>39.45</td> <td>41.30</td> </tr> <tr> <td>January, 2014</td> <td>45.30</td> <td>35.15</td> <td>38.70</td> </tr> <tr> <td>February, 2014</td> <td>40.50</td> <td>40.50</td> <td>40.50</td> </tr> <tr> <td>March, 2014</td> <td>63.90</td> <td>42.45</td> <td>55.15</td> </tr> </tbody> </table>	Month	High	Low	Close	April, 2013	63.90	55.15	55.15	May, 2013	59.00	52.00	59.00	June, 2013	61.75	55.80	55.80	July, 2013	59.90	52.30	52.30	August, 2013	49.70	47.25	49.50	September, 2013	47.25	47.25	47.2	October, 2013	46.25	45.00	46.20	November, 2013	50.90	37.95	40.15	December, 2013	46.05	39.45	41.30	January, 2014	45.30	35.15	38.70	February, 2014	40.50	40.50	40.50	March, 2014	63.90	42.45	55.15
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February, 2014	40.50	40.50	40.50																																																			
March, 2014	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.
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DISTRIBUTION OF HOLDINGS AS ON 31.03.2014

Shareholders			Nos. of Shares	
Nominal Value of Shares in Rs.	Holders	% To Total	Number	%
Up to 500	542	90.1830	84244	2.2092
501 to 1000	28	4.6589	21521	0.5644
1001 to 2000	9	1.4975	13392	0.3512
2001 to 3000	5	0.8319	11934	0.3129
3001 to 4000	1	0.1664	3745	0.0982
10001 to 50000	4	0.6656	69589	1.8249
50001 to 100000	2	0.3328	148210	3.8866
AND ABOVE	10	1.6639	3460765	90.7527
Total	601	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, 2014.
- (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 31.03.2014.
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	:	The Company will adopt the Whistle Blower Policy during the current financial year 2014-15

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, 2014.

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: 24.05.2014

**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, 2014 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, 2014, against the Company, as per records maintained by the Investors Grievance/Share transfer Committee of the Company.

**For NARESH & CO.
CHARTERED ACCOUNTANTS**

**CA ANIL SHAH
PARTNER
M.R.N. 035309**

Place: Bil, District Vadodara
Date: 24.05.2014



**INDEPENDENT AUDITOR'S REPORT
To the Members**

Report on the Financial Statements

We have audited the accompanying Financial Statements of **SHILCHAR TECHNOLOGIES LIMITED** ("the Company") which comprise the Balance sheet **as at 31st March, 2014** 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's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- 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.

Report on Other Legal and Regulatory Requirements

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 comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular No.15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e) On the basis of written representations received from the directors, as on 31st March, 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2014 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)**

**CA ANIL SHAH
PARTNER
(M. R. N. 035309)**

*Place : Vadodara
Date : 24.05.2014*



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) for the year ended 31st March 2014 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, 2014 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 :
- 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.}
- CST Demand of Rs. 19,58,175/- for 2009-10
{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) The Company has raised new term loan (only Car Loan) during the year under report and has utilized the same for the purpose for which it was availed.
- (xvii) On the basis of review of utilization of funds which is based on an overall examination of the balance sheet of the Company, related information as made available to us and as represented to us by the Management, we report that as at the Balance Sheet date the funds raised on short-term basis were not been used for long-term investment.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- (xix) During the year under report, the company has not issued any debentures.
- (xx) The Company has not raised any money through public issues during the year under report.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

**CA ANIL SHAH
PARTNER
(M. R. N. 035309)**

*Place : Vadodara
Date : 24.05.2014*



BALANCE SHEET AS AT 31st MARCH, 2014

	NOTE	YEARENDED AS AT 31.03.2014 Amount Rs.	YEARENDED AS AT 31.03.2013 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	207,099,880	170,163,343
(2) Share Application Money pending allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	1,355,521	-
(b) Deferred Tax Liabilities (Net)	6	16,419,676	13,857,809
(c) Other Long Term Liabilities	7	-	-
(d) Long-Term Provisions	8	2,879,358	2,090,769
(4) Current liabilities			
(a) Short-Term Borrowings	9	202,859,842	189,946,918
(b) Trade Payables	10	236,377,541	300,313,711
(c) Other Current Liabilities	11	37,866,884	27,174,189
(d) Short-Term Provisions	12	29,161,487	9,766,024
TOTAL		772,154,189	751,446,763
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	13		
(i) Tangible assets		178,667,763	181,508,096
(ii) Intangible assets		156,911	-
(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	2,278,155	1,665,650
(d) Other Non-Current Assets	16	-	-
(2) Current Assets			
(a) Current Investments	17	-	-
(b) Inventories	18	94,965,533	130,750,529
(c) Trade Receivables	19	382,184,271	347,688,301
(d) Cash and Cash Equivalents	20	36,679,861	45,778,795
(e) Short-Term Loans and Advances	21	67,156,621	33,896,120
(f) Other Current Assets	22	3,058,074	2,839,023
TOTAL		772,154,189	751,446,763
Notes forming part of the Accounts	1-53		

As per our report attached of even date

For **NARESH & CO.**

CHARTERED ACCOUNTANTS

FRN : 106928W

CA ANIL SHAH

PARTNER

Mem No. 035309

Place : Bil, Vadodara

Date : 24th May 2014

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH

MANAGING DIRECTOR

Place : Bil, Vadodara

Date : 24th May 2014

JITENDRA SHAH

CHAIRMAN



**STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2014**

	NOTES	YEAR ENDED AS AT 31.03.2014 Amount Rs.	YEAR ENDED AS AT 31.03.2013 Amount Rs.
I. Revenue From Operations	28	1,004,341,143	727,428,942
II. Other Income	29	22,717,350	15,443,609
III. Total Revenue (I + II)		1,027,058,493	742,872,551
IV. Expenses:			
Cost of Materials Consumed	30	757,512,107	567,304,864
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	31	22,025,602	4,314,615
Employee Benefits Expenses	32	25,543,130	23,850,266
Financial Costs	33	23,430,344	27,140,749
Depreciation and Amortization Expenses	13	10,631,645	10,254,009
Other Expenses	34	118,617,578	90,768,129
Total Expenses		957,760,406	723,632,632
V. Profit Before Exceptional and Extra Ordinary Items & Tax (III - IV)		69,298,087	19,239,919
VI. Exceptional items		-	-
VII. Profit before Extraordinary Items & Tax (V - VI)		69,298,087	19,239,919
VIII. Extraordinary Items			
Add: Excess Provision for Expenses Written Back		156,935	34,884
Less: Prior year's Income Tax Adjustment		357,703	122,886
IX. Profit Before Tax (VII - VIII)		69,097,319	19,151,917
X. Tax expense :			
(1) Current Tax		24,700,000	7,550,000
(2) Deferred tax		2,561,867	(1,320,044)
XI. Profit/(Loss) from Continuing Operations (VII-VIII)		41,835,452	12,921,961
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)		41,835,452	12,921,961
XVI. Earning per Equity Share:			
(1) Basic		10.97	3.39
(2) Diluted		10.97	3.39
Notes forming part of the Accounts	1-53		

As per our report attached of even date

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

CA ANIL SHAH
PARTNER
Mem No. 035309

Place : Bil, Vadodara
Date : 24th May 2014

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH
MANAGING DIRECTOR

JITENDRA SHAH
CHAIRMAN

Place : Bil, Vadodara
Date : 24th May 2014



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Sr.	Item	For the Year ended 31.3.2014 Rupees	For the Year ended 31.3.2013 Rupees
A.	Cash flow from Operating Activities :		
	<i>Net Profit before Tax & Extra Ordinary Items</i>	69,298,087	19,239,919
	Adjustment for :		
	Depreciation & Write-offs	10,631,645	10,254,009
	Gratuity Non Cash Adj. for AS 15	478,392	384,268
	Leave Encashment Non Cash Adj.	838,301	401,847
	Loss / (Profit) on Sale of Investments / Assets	(25,510)	0
	Interest & Financial Charges	23,430,344	27,140,749
	Prior Period Items	363,884	89,631
	<i>Operating Profit before Working Capital Changes</i>	105,015,143	57,510,423
	Adjustments for :		
	(Increase)/Decrease in Trade Receivables	(34,495,970)	(7,847,883)
	(Increase)/Decrease in Inventories	35,784,996	(2,242,491)
	(Increase)/Decrease in Loans & Advances	(15,308,821)	(15,918,666)
	(Increase)/Decrease in Other Current Assets	(219,051)	(656,544)
	Increase/(Decrease) in Trade Payables	(63,936,170)	8,850,528
	Increase/(Decrease) in Other Current Liabilities	10,692,695	(7,508)
	Increase/(Decrease) in Other provisions	2,234,462	477,959
	<i>Cash Generated from Operations</i>	39,767,284	40,165,818
	Gratuity Paid & Leave Salary Paid	517,104	877,996
	Direct Taxes Paid	26,471,888	6,329,083
	<i>Cash Flow before Extra Ordinary Items</i>	12,778,292	32,958,739
	Extra Ordinary Items	156,935	34,884
	Prior Period Items (being cash items)	(363,884)	(89,631)
	Net Cash Flow from Operating Activities	12,571,343	32,903,992
B.	Cash flow from Investing Activities		
	Purchase of Fixed Assets	(8,264,891)	(2,204,539)
	Net Proceeds from Sale of Fixed Assets	218,000	0
	Investments	0	0
	Sale of Investments	0	0
	Net Cash used in Investment Activities	(8,046,891)	(2,204,539)
C.	Cash Flow from Financing Activities		
	Increase/(Decrease) in Short Term Borrowings	12,912,924	4,637,107
	Increase/(Decrease) in Long Term Borrowings	1,355,521	(467,398)
	Dividend	(4,461,487)	(2,216,024)
	Interest Paid	(23,430,344)	(27,140,749)
	Net Cash used in Financing Activities	(13,623,386)	(25,187,064)
D.	Net Increase/(Decrease) in Cash and Cash Equivalents	(9,098,934)	5,512,389
	Cash and Cash Equivalents (Opening)	45,778,795	40,266,406
	Cash and Cash Equivalents (Closing)	36,679,861	45,778,795

As per our report attached of even date

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

CA ANIL SHAH
PARTNER
Mem No. 035309

Place : Bil, Vadodara
Date : 24th May 2014

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH
MANAGING DIRECTOR

JITENDRA SHAH
CHAIRMAN

Place : Bil, Vadodara
Date : 24th May 2014



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 (2013 : 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 Dervatives :

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.

l. 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 31.03.2014 Amounts. (Rs.)	YEAR ENDED AS AT 31.03.2013 Amounts. (Rs.)
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, 2014		As at 31 st March, 2013	
	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, 2014		As at 31 st March, 2013	
	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	10.49	400150	10.49
Custom Magnetics Inc.	30649	0.804	251449	6.59

(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 2014	As At March 31 st 2013
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	3,365,284	3,802,712
Less Depreciation adjusted	437,428	437,428
Balance at Quarter/Year end.	2,927,856	3,365,284
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	108,990,934	98,284,997

Profit / (Loss) During Year	41,835,452	12,921,961
Balance Available for Appropriation	150,826,386	111,206,958
Less : Appropriation		
Proposed Dividend on Equity shares	3,813,400	1,906,700
Corporate Dividend Tax on Above	648,087	309,324
Balance at Year end.	146,364,899	108,990,934
TOTAL RS.	207,099,880	170,163,343

5. Long - Term Borrowings :

	As At March 31st 2014	As At March 31st 2013
Secured		
Vehicle Loan (From ICICIBank against Hypothecation of Car)	1,355,521	-
Unsecured	-	-
TOTAL RS.	1,355,521	-

6. Deferred Tax Liabilities (Net) :

	As At March 31st 2014	As At March 31st 2013
Major Components of Deferred Tax Balances are as under :		
Deferred Tax Liabilities (difference between accounting and tax depreciation)	18,183,453	14,726,172
Deferred Tax Assets (liabilities provided in books but allowable for tax purposes when actually paid)	1,763,776	868,363
NET TOTAL RS.	16,419,676	13,857,809

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 2014	As At March 31st 2013
(a) Trade Payables	-	-
(b) Others	-	-
TOTAL RS.	-	-

8. Long-Term Provisions :

	As At March 31st 2014	As At March 31st 2013
Provision for Employee Benefits		
(a) Provision for Gratuity (Net)	1,586,698	1,119,306
(b) Provision for Leave encashment	1,292,660	971,463
Others	-	-
TOTAL RS.	2,879,358	2,090,769



9. Short - Term Borrowings :

	As At March 31 st 2014	As At March 31 st 2013
Secured :		
From Banks for Working Capital :		
From Bank of Baroda		
Cash Credit (Against Hypothecation of Stocks and Book Debts)	29,124,108	13,294,010
EPC/FBD/PCFC/FCBD Account (Secured against Export Orders and Stock of Export)	61,554,123	70,418,182
From Standard Chartered Bank		
EPC/FBD/PCFC/FCBD Account (Secured against Export Orders and Stock of Export)	-	25,044,944
From ICICI Bank Ltd		
Bill Discounting (against LCs of Customers duly confirmed by their / our Bankers)	112,181,611	81,189,782
TOTAL RS.	202,859,842	189,946,918

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 Bills discounting facilities obtained from ICICI Bank (P.Y ICICI Bank & Kotak Mahindra Bank) are against LC's of customers duly confirmed by their respective bankers

10. Trade Payables :

	As At March 31 st 2013	As At March 31 st 2012
Payable to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006	69,842,211	109,637,503
Trade Payables to Others	166,535,330	190,676,208
TOTAL RS.	236,377,541	300,313,711

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 31 st 2014	As At March 31 st 2013
(a) Current Maturities On Long Term Debt - Vehicle Loan (Repayable within 12 months)	1,147,124	467,398
(b) Interest Accrued but not due on Borrowings	-	-
(c) Interest Accrued and due on Borrowings	-	-

(d) Income Received in Advance (Interest on LC)	3,284,330	1,913,558
(e) Unpaid Dividends	123,477	134,423
(f) Advances Received from Customers	27,766,290	15,636,751
(g) Other Payables :		
- Security Deposits	152,000	152,000
- Statutory Liabilities	407,668	321,349
- Other Expenses Payable	4,862,995	8,504,016
- Other Current Liabilities	123,000	44,694
TOTAL RS.	37,866,884	27,174,189

An advance received from customers includes 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 2014	As At March 31st 2013
(a) Provision for Employee Benefits	-	-
(b) Provision for Current Taxation	24,700,000	7,550,000
(c) Provision for Proposed Dividend (2013-14)	3,813,400	1,906,700
(d) Provision for Corporate Dividend Tax (2013-14)	648,087	309,324
TOTAL RS.	29,161,487	9,766,024

14. Non – Current Investments :

	As At March 31st 2014	As At March 31st 2013
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

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

	As At March 31st 2014	As At March 31st 2013
(a) Capital Advances	6,20,000	-
(b) Security Deposits	1,658,155	1,665,650
(c) Other Loans and Advances	-	-
TOTAL RS.	2,278,155	1,665,650


**Schedule - E
Fixed Assets**

NOTE NO. : 13

Particulars	Gross Block				Depreciations						Net Block			
	As At 01.04.2013	Addition During the year	Deduction/ Adjustment during the year		As At 31.03.2014	As At 01.04.2013	For the year		Total	Adjustment/ Deduction during the year		As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
			Cost	Revaluation			Cost	Revaluation		Cost	Revaluation			
Land	67,546,109	208,095	-	-	67,754,204	-	-	-	-	-	-	-	67,754,204	67,546,109
Office Building	4,400,000	-	-	-	4,400,000	904,452	71,720	-	976,172	-	-	976,172	3,423,828	3,495,548
Factory Building	57,282,560	75,740	-	-	57,358,300	22,780,358	1,473,265	437,428	24,691,051	-	-	24,691,051	32,667,249	34,502,202
Plant & Machinery	132,628,145	1,171,440	-	-	133,799,585	73,287,154	6,269,507	-	79,556,661	-	-	79,556,661	54,242,924	59,340,991
Windmill	15,944,789	-	-	-	15,944,789	5,335,013	841,885	-	6,176,898	-	-	6,176,898	9,767,891	10,609,776
Computers	6,888,110	1,361,682	-	-	8,249,792	6,888,110	605	-	6,888,715	-	-	6,888,715	1,361,077	-
Furnitures & Fixtures	17,344,778	-	-	-	17,344,778	13,767,695	1,092,188	-	14,859,883	-	-	14,859,883	2,484,895	3,577,083
Vehicles	5,553,380	5,596,015	2,057,520	-	9,091,875	3,116,978	874,216	-	3,991,194	1,865,030	-	2,126,164	6,965,711	2,436,402
Total	307,587,866	8,412,972	2,057,520	-	313,943,318	126,079,772	10,623,387	437,428	137,140,575	1,865,030	-	135,275,555	178,667,778	181,508,111
Previous Year	305,696,576	1,891,290	-	-	307,587,866	115,390,450	10,554,645	437,428	126,382,523	302,751	-	126,079,772	181,508,089	190,306,126

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

Particulars	Gross Block				Amortisation						Net Block			
	As At 01.04.2013	Addition During the year	Deduction/ Adjustment during the year		As At 31.03.2014	As At 01.04.2013	For the year		Total	Adjustment/ Deduction during the year		As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
			Cost	Revaluation			Cost	Revaluation		Cost	Revaluation			
Softwares	482,325	165,169	-	-	647,494	482,325	8,258	-	490,583	-	-	490,583	156,911	-
Total	482,325	165,169	-	-	647,494	482,325	8,258	-	490,583	-	-	490,583	156,911	-
Previous Year	482,325	-	-	-	482,325	482,325	-	-	482,325	-	-	482,325	-	-

Notes :

- Land included Land at Dabhasa which is pending to be transferred to the name of the Company.
- 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. 10,39,903/-



16. Other Non – Current Assets :

	As At March 31st 2014	As At March 31st 2013
Long-term Trade Receivables	-	-
Others	-	-
TOTAL RS.	-	-

17. Current Investments :

	As At March 31st 2014	As At March 31st 2013
Current Investments	-	-
TOTAL RS.	-	-

18. Inventories :

Particulars	As At March 31st 2014	As At March 31st 2013
(At Cost or Market Value whichever is lower) (Taken as Valued & Certified by Management)		
Raw Materials	65,693,430	77,468,551
Work-in-Progress	19,237,337	26,680,265
Finished Goods	10,034,766	26,601,713
TOTAL RS.	94,965,533	130,750,529

Finished Goods	As At March 31st , 2014	As At March 31st , 2013
Transformers – E & T	51,37,174	61,27,883
Distribution & Power Transformers	48,97,592	2,04,73,830
TOTAL RS.	1,00,34,766	2,66,01,713

Work-in Progress	As At March 31st , 2014	As At March 31st , 2013
Transformers – E & T	21,25,050	24,51,119
Distribution & Power Transformers	1,71,12,287	2,42,29,146
TOTAL RS.	1,92,37,337	2,66,80,265

19. Trade Receivables (Unsecured Considered Good) :

	As At March 31st , 2014	As At March 31st , 2013
(a) Outstanding for a period exceeding Six Months	12,568,827	43,785,180
(a) Others	369,615,444	303,903,121
TOTAL RS.	382,184,271	347,688,301
Amount due from Related Party as defined in AS 18	368,175	258,940



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 wherever the Management is confident of being able to pursue the matters and recovering the amounts, if deducted.

20. Cash & Bank Balances :

	As At March 31st , 2014	As At March 31st , 2013
Balances with Banks		
- In Current Accounts	9,443,528	1,000,781
- In Dividend Accounts	149,727	154,400
- In Margin Money Accounts	26,992,913	44,573,729
Cash on Hand	93,693	49,885
TOTAL RS.	36,679,861	45,778,795

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

	As At March 31st , 2014	As At March 31st , 2013
- EMD's	1,423,500	515,022
- Prepaid Expenses	3,145,898	4,316,674
- Advance Paid to Suppliers & Service Providers	4,108,418	2,603,148
- Advance Income Taxes and Refunds Receivable	23,010,600	4,446,415
- Indirect Taxes Recoverable Balances with Revenue Authorities	25,635,891	10,871,885
- Other Short Term Loans & Advances	9,832,314	11,142,976
TOTAL RS.	67,156,621	33,896,120

22. Other Current Assets :

	As At March 31st , 2014	As At March 31st , 2013
- Interest Accrued but not Due	3,058,074	2,839,023
TOTAL RS.	3,058,074	2,839,023

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 realize 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. 6,52,179/- (Decision Pending).

VAT Demand on Assessment for 2007-08 Rs.1,08,366/- towards disallowance of Input Tax Credit for the purchases from cancelled dealers and Rs.32,510/- as penalty on it.

CST Demand on Assessment for the year 2007-08 Rs.4,45,455/- towards CST on Freight charged in Invoices as well interest there on.



(Company has preferred Second Appeal at Tribunal – Ahmedabad for both the disallowances after fully paying both the demand, hearing is awaited.)

CST Demand on Assessment for 2008-09 Rs. 3,82,863/-

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

CST Demand on Assessment for 2009-10 Rs. 19,58,175/-

(Against above demand, 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.22,900/-

Legal Case Filed by Company against Debtors with amount still outstanding in books-Rs.1,98,085/-

Guarantees:

The Company has given Corporate Guarantees for Performance of Products to the tune of Rs.2,42,77,391/- (p.y. Rs.2,42,77,391/-) to EPC Customers being Private Companies.

Bank Guarantees outstanding as on 31st March, 2014, amounted to Rs 16,51,78,896/- (p.y. Rs.17,37,74,365/-) and Letters of Credit outstanding as at 31st March 2014, amounted to Rs.7,31,82,256/- (p.y. Rs. 9,69,49,897/-) against which the company has kept the Margin Money in the form of Fixed Deposit worth Rs. 2,69,13,734/- (p.y. Rs. 2,95,73,729/-).

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. 1.00 per Equity Share aggregating to Rs. 38,13,400 is being proposed as dividend on equity shares.

There are no arrears of dividends.

28. Revenue From Operations :

	As At March 31st, 2014	As At March 31st, 2013
REVENUE FROM OPERATIONS		
(a) Sale of Products		
- Domestic Sales	610,340,723	607,413,687
- Export Sales	475,436,707	178,225,944
Total Sale of Products	1,085,777,430	785,639,631
(b) Sale of Services	-	-
(c) Other Operating Revenues	-	-
Total Gross Revenues	1,085,777,430	785,639,631
Less : Excise Duty	81,436,287	58,210,689
TOTAL RS.	1,004,341,143	727,428,942

SALES (Finished Goods)	As At March 31st, 2014	As At March 31st, 2013
Transformers – E & T (Including Core & Lamination and Bobbin)	9,59,58,240	10,18,97,832
Distribution & Power Transformers	90,48,11,722	61,23,61,552
Others	35,71,181	1,31,69,558
TOTAL RS.	1,004,341,143	72,74,28,942

29. Other Income :

	As At March 31st , 2014	As At March 31st, 2013
Interest Income	9,658,517	6,293,574
Discounts and Sundry Balances Appropriated	174,940	473,021
Duty Drawback	11,376,534	5,957,158
Misc. Income	23,000	48,000
Gain on Commodity Derivatives	894,673	1,631,856
Prior Period income	109,792	905,843
Profit of Sale of Assets	88,000	-
Exchange Rate Difference	391,894	134,157
TOTAL RS.	22,717,350	15,443,609

30. Cost of Material Consumed :

	As At March 31st , 2014	As At March 31st, 2013
Opening Stock of Raw Materials	77,468,551	71,297,747
Add : Purchases (incl. Custom Duty & Charges)	743,326,874	572,166,676
	820,795,425	643,464,423
Less : Closing Stock of Raw Materials	65,693,430	77,468,551
Raw Materials Consumed	755,101,995	565,995,872
Consumable Store and Spares	2,410,112	1,308,992
TOTAL Rs.	757,512,107	567,304,864

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

	As At March 31st , 2014	As At March 31st, 2013
Opening Stock of Finished Goods & Work in Process	53,281,978	57,210,291
Less: Closing Stock of Finished Goods & Work In Process	29,272,103	53,281,978
	24,009,875	3,928,313
Differential Excise Duty on Opening & Closing Stock of Finished Goods	(1,984,273)	386,302
TOTAL RS.	22,025,602	4,314,615

32. Employee Benefit Expense :

	As At March 31st , 2014	As At March 31st, 2013
Salary,Wages, Allowances, Perquisites, Leave Encashment & Others	19,835,291	18,824,972
Directors Remuneration	2,657,021	2,318,400
Bonus	324,951	350,844
Provident Fund	778,314	800,846
Gratuity	478,392	384,268
Staff Welfare	1,469,161	1,170,936
TOTAL RS.	25,543,130	23,850,266



33. Finance Costs :

	As At March 31st, 2014	As At March 31st, 2013
Interest to Bank	11,668,436	17,058,299
Interest to Others	6,828,071	6,942,472
Other Borrowing Costs	3,358,803	3,634,353
Exchange Rate Difference	1,575,034	(494,375)
TOTAL RS.	23,430,344	27,140,749

34. Operation & Other Expenses :

	As At March 31st, 2014	As At March 31st, 2013
(1) Manufacturing Expenses		
Power and Fuel	1,688,520	1,541,178
Repairs & Maintenance - Plant and Machinery	1,126,778	1,016,252
Manufacturing Processing Cost	37,742,821	31,532,036
Carting, Freight, Octroi Inwards	9,087,826	3,600,446
Other Mfg. Expenses	468,517	239,364
TOTAL Rs.(a)	50,114,462	37,929,276
(2) Administrative & Other Expenses		
Repairs & Maintenance - Building	1,129,854	198,592
Repairs & Maintenance - Others	1,056,497	969,571
Rent, Rates and Taxes	738,794	604,208
Traveling and Conveyance expenses	6,639,095	5,174,654
Communication and Printing expenses	1,251,190	1,064,300
Legal and Professional Fees	3,979,313	3,532,755
Insurance Premium	1,116,625	652,038
Auditors Remuneration		
Statutory Audit Fees	180,000	180,000
Others	30,000	30,000
Directors Sitting Fees	118,000	110,000
Research and Development Expenses	2,732,649	2,836,656
Donation	1,048,000	225,000
Lease Rent Paid	600,000	450,000
Prior Period Expenses	473,676	995,474
Contractual Deductions and other Bad Debts Written Off	34,157,968	22,062,495
Security Charges	1,076,207	1,137,371
Loss on sale of fixed assets	62,490	---
Other Administrative Expenses	1,559,216	1,419,553
TOTAL Rs.(b)	57,949,574	41,642,667
(3) Selling & Distribution Expenses		
Business Promotion Expenses	2,701,814	602,794
Freight / Clearing & Forwarding Charges on Sales (net of recoveries)	7,327,393	8,441,099
Commission	33,000	1,074,136
Misc. Selling and Distribution Exps	491,335	1,078,157
TOTAL Rs.(c)	10,553,542	11,196,186
TOTAL RS. (1) + (2) + (3)	118,617,578	90,768,129



35. Depreciation & Amortization Expenses :

	As At March 31st, 2014	As At March 31st, 2013
Depreciation on Tangible Assets	10,623,387	10,251,894
Amortization on Intangible Assets	8,258	2,115
TOTAL RS.	10,631,645	10,254,009

36. C.I. F. Value of Imports

Item	2013-2014	2012-2013
Raw Materials	1,11,92,200	78,22,908
Silicon Steel	NIL	Nil
TOTAL RS.	1,11,92,200	78,22,908

37. Expenditure in Foreign Currency

Item	2013-2014	2012-2013
Foreign Travel	17,70,534	5,58,220
Inspection, Machinery Imports and Others	3,65,463	2,83,520
Interest on External Commercial Borrowings	Nil	1,08,466
Total	21,35,997	9,50,206

38. Consumption of Raw Materials

Item	2013-2014		2012-2013	
	Amount	Percentage	Amount	Percentage
Imported	1,26,68,265	1.68	67,96,093	1.20
Indigenous	74,48,43,842	98.32	56,05,08,771	98.80
Total	75,75,12,107	100.00	56,73,04,864	100.00

Class of Goods	2013-2014 Amount	2012- 2013 Amount
Silicon Steel	13,19,62,867	10,31,46,965
Copper Wire	30,87,26,863	21,47,08,996
Aluminum	1,19,83,535	76,03,998
Transformer Oil	7,05,02,104	5,03,49,051
Others	23,43,36,738	19,14,95,854
Total	75,75,12,107	56,73,04,864

39. Dividends to Non-Resident Shareholders

Particulars	2013-2014	2012-2013
Net Dividend paid in Foreign Currency (stated in Rupees)	3,25,800	4,98,550
Number of non-resident shareholders	2	2
Number of equity shares held by such non resident shareholders	6,51,599	9,97,100

40. Earnings in Foreign Currency

Particulars	2013-2014	2012-2013
Export of Goods on FOB basis Amount realized during the year Rs 45,69,71,599/- (Previous Year Rs.9,43,79,083/-)	47,25,44,514	17,46,67,377

41. Post Employment Benefits:

Provident Fund dues amounting to Rs. 7,78,314 (PY Rs. 8,00,846) 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. 12,92,660 (p.y. Rs. 9,71,463) has been determined as obligation as at the year end. The current year cost including actuarial gains / losses of Rs. 8,38,301 (p.y Rs. 4,01,847/-) has been charged to the Statement of Profit and Loss Account and the benefit pay out of Rs. 5,17,104/- (p.y Rs. 3,89,037/-) 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 2014	As At March 31st, 2013
Present Value of Obligations as at beginning of the Year	34,29,530	3,322,557
Interest Cost	2,74,362	2,65,805
Current Cost	2,26,976	2,26,976
Benefits Paid	(4,11,646)	(4,88,689)
Actuarial (gains) / losses on obligation	1,61,735	1,02,881
Present Value of Obligations as at the end of the Year	36,80,957	34,29,530
Change in Fair Value of Plan Assets		
Fair Value of Plan Assets as at the beginning of the Year	23,10,224	25,76,519
Expected Return on Plan Assets	1,84,681	2,11,394
Contributions	11,000	11,000
Benefits Paid	(4,11,646)	(4,88,689)
Actuarial (gains) / losses on Plan Assets	Nil	Nil
Fair Value of Plan Assets as at the end of the Year	20,94,259	23,10,224
Defined Benefit Obligation as recognized in Balance Sheet		
Present Value of Obligations as at the Year end	23,10,224	25,76,519
Unrecognized Past Service Cost	Nil	Nil
Fair Value of Plan Assets as at the Year end	20,94,259	23,10,224
Net (Asset) / Liability recognized in Balance Sheet	15,86,698	11,19,306
Net Gratuity Benefit Expenditure Recognized in P&L		
Current Service Cost	2,26,976	2,26,976
Interest Cost	2,74,362	2,65,805
Expected Return on Plan Assets	(1,84,681)	(2,11,394)
Net Actuarial (Gain) / Loss Recognized in the Year	1,61,735	1,02,881
Net Expense Recognized in Statement of Profit and Loss	4,78,392	3,84,268
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	31.03.2014 Rs.	31.03.2013 Rs.
⇒ Lease Payments recognized in the Statement of Profit and Loss	6,00,000	4,50,000
⇒ 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	2013-2014	2012-2013
Amount used as numerator Profit after Taxation	Rs.	41,835,452	12,921,961
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.	10.97	3.39

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 31.3.2014 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.)	
			2014	2013	2014	2013
E-Cube India Solutions Ltd.	Associate	Administration Expenses Recovered (net)	NIL	Nil	1,76,798	1,76,798
		Sales	1,09,235	85,090	1,91,376	82,141
Mr. Alay Shah	Key Management Person	Managerial Remuneration	26,60,521	23,18,400	2,48,458	1,83,000
Mr. Ashesh Shah	- do -	Professional Fees	15,00,000	15,00,000	1,26,405	1,26,405
Mrs. Shilpa Shah	Relative of Key Management Person	Remuneration (HRD Manager)	10,86,783	7,31,375	83,900	45,900
		Perquisite of Electricity	1,38,971	1,57,998	Nil	Nil
Mr. Aashay Shah	Key mgm, person	Lease rent paid	6,00,000	4,50,000	50,000	1,75,000
		Remuneration	1,80,000	Nil	Nil	Nil
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, 2014 Nil (P.Y. Nil)	Nil

Particulars of Un-hedged Foreign Currency Exposure	31.03.2014 Rs.	31.03.2013 Rs.
⇒ Sundry Creditors	16,89,886	9,29,972
⇒ Sundry Debtors	11,47,66,160	9,85,69,058
⇒ Packing Credit in Foreign Currency (USD)	6,15,54,123	9,36,70,839
⇒ Packing Credit in Foreign Currency (EURO)	Nil	17,92,287

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 capitalized.

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	2013-2014 (Rs.)	2012-2013 (Rs.)
Remuneration	26,57,021	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 along with 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 year's classification.

Signature to Notes 1 – 53

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

CA ANIL SHAH
PARTNER
(M.R.N. 035309)

Place : Vadodara
Date : 24th May 2014

For **SHILCHAR TECHNOLOGIES LIMITED**

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

Place : Vadodara
Date : 24th May 2014



**SHILCHAR
TECHNOLOGIES LIMITED**

CIN: L29308GJ1986PLC008387

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