

TWENTY FIRST ANNUAL REPORT
2011-2012



SHIMOGA TECHNOLOGIES LIMITED



SHIMOGA TECHNOLOGIES LIMITED

BOARD OF DIRECTORS

SURESH SHASTRY *Chairman*
G.ANANDA *Director*
S.LAKSHMI NARAYANA MURTHY *Director*

AUDITORS

Naik & Shah
Chartered Accountants,
#5/B, GEF Block, 1st Main, 1st Cross,
Rajajinagar Industrial Town,
Bangalore - 560 010.

REGISTRAR AND TRANSFER AGENTS

Integrated Enterprises (India) Limited
30, Ramana Residency,
4th Cross, Sampige Road, Malleswaram,
Bangalore - 560 003.

REGISTERED OFFICE

135/3A, 11th Cross,
Malleswaram,
Bangalore - 560 003.

WORKS

Plot Nos. N 12 & 13,
Industrial Estate,
Sagar Road
Shimoga – 577 204.
Karnataka

NOTICE

Notice is hereby given that Twentyfirst Annual General Meeting of the Members of **SHIMOGA TECHNOLOGIES LIMITED** will be held at Soundarya Hall, Malleswaram Association, No.110, 7th Cross, Malleswaram, Bangalore – 560 003 on Monday, 24th September, 2012 at 11.00 A.M to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31,2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Shastry, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT consent of the Company be and is hereby accorded, pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act,1956, to the Board of Directors of the Company to extend the lease period of the Plant and Machinery, both present and future, belonging to the Company, to M/s. Smiths & Founders (India) Limited, Bangalore, (erstwhile M/s. Bhagavathi Enterprises Limited) for a further period not exceeding 3 years with effect from 01.04.2012 or sanction of the Rehabilitation Scheme of the Company, which inter alia envisages amalgamation of M/s. Smiths & Founders (India) Limited with the Company, by the Hon'ble Board for Industrial and Financial Reconstruction, whichever is earlier.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution".

By the Order of the Board

Place: Bangalore
Date: 30.07.2012

SURESH SHASTRY
Director

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act,1956 is annexed hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.**
3. Register of Members and Share Transfer Books of the Company will remain closed from 19.09.2012 to 24.09.2012 (both days inclusive).
4. Members are requested to bring their Admission Slips with their copy of the Annual Report to the meeting.
5. As per Companies Act,1956, a Shareholder may nominate in the prescribed manner a person to whom his shares in the Company shall vest in the event of death (Form 2B of Companies (Central Government's) General Rules & Forms). In the case of joint holding, joint holders may together nominate a person to whom shares shall vest in the event of death of all the Joint Holders.
6. Members are requested to intimate immediately any change in their address to the Registrar and Transfer Agents of the Company. Also they are requested to send to the Registrar and Transfer Agent (1) PAN (2) Bank Account Number (3) E-mail Id.
7. Your Company supports in full measure the 'green initiative' of the Ministry of Corporate Affairs under which, service of notices/documents including Annual Report, can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders. To support this green initiative of the Government, members who would like to receive such notices/documents in electronic mode and who have not registered their e-mail addresses so far, are requested to do so by sending a request to the Company's Share Transfer Agent mentioning their folio number and e-mail addresses to which such documents can be sent. For shareholders holding shares in electronic form, such request can also be sent electronically to mail@shimogatechnologies.com from the same e-mail address registered with the depository participants.



SHIMOGA TECHNOLOGIES LIMITED

8. The information as required to be provided under the Listing Agreement with the Stock Exchange, regarding the Director who is proposed to be appointed/re-appointed is given hereunder:

Name	Mr. SURESH SHASTRY
Age	56 years
Qualifications	Advanced Diploma in Forge Technology from the National Institute of Foundry & Forge Technology, Ranchi.
Expertise	Over 32 years experience in Forging Industry
Shareholding	6320 Equity Shares of Re.1/- Paid Up
Other Directorships / Committee Memberships	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No.4

Members will recall that at their Extra Ordinary General Meeting held on 20.03.2009, members had consented leasing of land, building, plant and machinery, etc. both present and future belonging to the Company to M/s. Smiths & Founders (India) Limited (erstwhile Bhagavathi Enterprises Limited), for a period not exceeding 3 years.

Accordingly the Board of Directors entered into Lease Agreement with M/s. Smiths & Founders (India) Limited for leasing of its Land, Building, Plant and Machinery situated at Plot No. N 12 and N 13, Industrial Estate, Sagar Road, Shimoga for a period of 11 months each with effect from 01.04.2009 upto 31.12.2011 and thereafter extended the last lease agreement for a further period of 3 months upto 31.03.2012 as the 3 year consent given by the members expired on 31.03.2012.

As the Draft Rehabilitation Scheme of the Company, which inter alia envisages amalgamation of M/s. Smiths & Founders (India) Limited with the Company, is yet to be sanctioned by the Hon'ble Board for Industrial & Financial Reconstruction (BIFR), the Board of Directors at their Board Meeting held on 26.03.2012 accorded approval for extension of Lease of Plant and Machinery, both present and future, belonging

to the Company to M/s. Smiths & Founders (India) Limited for a further period of 3 years with effect from 01.04.2012 or sanction of the Rehabilitation Scheme of the Company, which inter alia envisages amalgamation of M/s. Smiths & Founders (India) Limited with the Company, by the Hon'ble BIFR, whichever is earlier, subject to the confirmation by the members in the ensuing Annual General Meeting.

None of the Directors are interested in this resolution except that Mr. Suresh Shastry, Director, is related to the Directors of M/s. Smiths & Founders (India) Limited.

The Board recommends the resolution as set out at Item No.4 of the Notice for your approval.

By the Order of the Board

Place: Bangalore
Date: 30.07.2012

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

SURESH SHASTRY
Director

DIRECTORS' REPORT

Dear Members,

Your Directors present the Twentyfirst Annual Report together with the Audited Accounts for the year ended 31st March 2012.

1. FINANCIAL RESULTS.

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

Particulars	31.03.2012	31.03.2011
Revenue from operations	0.00	0.00
Other Income	34.20	45.69
Profit / (Loss) before Financial Charges, Depreciation, Taxation and Prior Period items	19.05	32.03
Less: Financial Charges	0.01	6.73
Profit / (Loss) before Depreciation, Taxation and Prior Period items	19.04	25.30
Less: Depreciation	19.76	20.53
Profit / (Loss) before Taxation and Prior Period items	(0.72)	4.77
Less: Taxation (Including Deferred Tax)	0.00	0.00
Profit / (Loss) for the year	(0.72)	4.77
Less: Prior period items	0.00	0.80
Less: Write off	0.86	0.00
Net Profit / (Loss) for the year	(1.59)	3.96
Balance of Profit / (Loss) brought forward from last year	(590.71)	(594.67)
Profit / (Loss) Carried forward to Balance sheet	(592.30)	(590.71)

2. OVERVIEW OF COMPANY PERFORMANCE:

During the year under review, the Company has incurred a net loss of Rs.1.59 Lakhs as against a net profit of Rs.3.96 lakhs for the previous year ended 31st March 2011. The Company does not have any income from operations. The main source of income is lease rentals.

3. DIVIDEND:

In view of loss incurred by the Company, your Directors do not recommend any dividend for the financial year ended 31st March 2012.

4. DIRECTORS:

None of the Directors are disqualified as on 31st March 2012 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Mr. Suresh Shastry retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. The Board recommends his re-appointment.

5. REHABILITATION SCHEME STATUS:

Members may recall that in the Annual General Meeting held on 30th September 2010 the Shareholders

approved Reduction of Paid up Equity Share capital of the Company from Rs.4,32,00,000/- divided into 4,32,00,000 shares of Re.1/- each into Rs.43,20,000/- divided into 43,20,000 shares of Re.1/- each by cancelling Rs.3,88,80,000/- divided into 3,88,80,000 equity shares of Re.1/- each of the Paid up Equity capital, which is unrepresented by available assets. In the same meeting, the Shareholders also approved Amalgamation of Smiths & Founders (India) Limited (erstwhile Bhagavathi Enterprises Limited) with the Company.

In pursuance of the above, during the year 2010-11, the Board arranged to get the business valuation of the Company as at 31.12.2010 and also obtained business valuation of the Amalgamating Company, Smiths & Founders (India) Limited (erstwhile Bhagavathi Enterprises Limited) as on that date. Based on the valuations of the two Companies, the Statutory Auditors of the Company recommended a share exchange ratio of 5:2, ie. 5 fully paid Equity Shares of Re.1/- each of the Company against every 2 fully paid Equity Shares of Re.1/- each of the Amalgamating Company.

Based on the above guidelines, a Draft Rehabilitation Scheme (DRS), involving 90% Capital reduction and



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5:2 share exchange ratio was formulated and forwarded to the Amalgamating Company for their approval. After obtaining their 'in-principle' approval, the DRS was presented to IDBI Bank (the Operating Agency (OA) appointed by the Hon. Board for Industrial and Financial Reconstruction (BIFR).

During the year 2011-12, based upon the audited and adopted financials as at 31.03.2011, the business of both the amalgamating Companies were once again valued and on the basis of these valuations, the Statutory Auditors of the Company once again reworked and recommended the same exchange ratio of 5:2, ie. 5 fully paid Equity Shares of Re.1/- each of the Company against every 2 fully paid Equity Shares of Re.1/- each of the Amalgamating Company. The recommendations have been submitted to IDBI Bank.

The Hon. BIFR in their last hearing held on 16th May, 2012 have directed the Company to submit clarifications / details sought by the OA on the DRS, and have directed the OA to examine the DRS and submit the same to the Hon. BIFR.

6. DIRECTORS RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956, your Directors confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2012 and its loss for the year ended on that date;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) that the Directors have prepared the annual accounts on a going concern basis.

7. CORPORATE GOVERNANCE:

A Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report along with report on Corporate Governance.

8. MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis Report forms part of this Report.

9. COMPLIANCE CERTIFICATE:

Secretarial Compliance Certificate from Mr. Vighneshwar Bhat, Practicing Company Secretary, under the provisions of Section 383A of the Companies Act, 1956 is annexed herewith to this Report.

10. RELATED PARTY DISCLOSURES:

As regards to related party disclosures, one of the Directors of the Company is related to Directors of Smiths & Founders (India) Limited (Erstwhile Bhagavathi Enterprises Limited), a closely held public limited company. However, there are no common Directors and no shareholders holdings in excess of 2% of the paid up capital of either of the Companies. There are no other materially significant related party transactions made by the Company with Promoters, Directors or Management, etc. that may have potential conflict with the interest of the Company at large. However this disclosure is made as a matter of prudence. For details of transactions with Smiths & Founders (India) Limited (Erstwhile Bhagavathi Enterprises Limited) during the year 2011-12, please refer point 6 of Notes on accounts.

11. AUDITORS

The Company's Auditors, M/s. Naik & Shah, Chartered Accountants, Bangalore, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

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

Particulars prescribed under Section 217(1)(e) of the Companies Act, 1956, are given in Annexure A, which forms part of this Report.

13. PARTICULARS OF EMPLOYEES:

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

14. ACKNOWLEDGEMENTS:

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

By the Order of the Board

Place: Bangalore
Date: 30.07.2012

SURESH SHASTRY
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

FORM NO. A

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

	Year Ended 31.03.2012	Year Ended 31.03.2011
A) POWER & FUEL CONSUMPTION		
1. Electricity		
a. Purchased Units	—	—
Total Amount (Rs.)	—	—
Rate/Units (Rs.)	—	—
b. Own Generation		
i. Through Diesel Oil		
Units per litre of Diesel	—	—
Oil Cost/Unit (Rs.)	—	—
ii. Through Steam Turbine		
Generator Units	—	—
Units per litre of	—	—
Fuel/Oil/Gas Cost/Unit (Rs.)	—	—
2. Coal (specify quality & where used)		
Total Cost	—	—
Average Rate	—	—
3. Furnace Oil		
Quantity (K.Litre)	—	—
Total Amount (Rs.)	—	—
Average Rate	—	—
4. Others/internal generation		
(Please give details)		
Quantity	—	—
Total Cost	—	—
Rate/Unit	—	—

B. CONSUMPTION PER UNIT (Nos.) OF PRODUCTION

	Year Ended 31.03.2012	Year Ended 31.03.2011
Products (With details-unit electricity)	—	—
Coal (Specify Quality)	—	—
Furnace Oil	—	—

TECHNOLOGY ABSORPTION

No items to disclose under this head

FOREIGN EXCHANGE EARNING AND OUTGO

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

By the Order of the Board

Place: Bangalore
Date: 30.07.2012

SURESH SHASTRY
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments:

The Company does not have any income from operations. Its main source of income presently is lease rentals from its manufacturing facilities. The Company is looking forward to approval of its Rehabilitation Scheme by the Board for Industrial and Financial Reconstruction ('BIFR') for resumption of its operations. The Company has implemented necessary steps to reduce the operating and administrative expenses, to curtail the costs.

Opportunities and Threats:

Despite signs of recession worldwide, the ability of the auto industry to sustain its growth, though at a lower rate, is a pointer indicating that opportunities for the Company to expand its business exist. The accumulated loss of the Company is a constraint for growth of business. Proposed reduction of the existing share capital and amalgamation with Smiths & Founders (India) Limited (formerly Bhagavathi Enterprises Limited), which is a healthy Company, provides an opportunity for the growth of the organisation.

The major perceivable threats are liquidity, interest rates, increasing price of the raw materials, political stability and economic scenario.

Outlook:

The Company is confident of improved performances in the coming years consequent to approval of its Rehabilitation Scheme by BIFR and its successful implementation. The Company not only expects improved working results but also increase in the market value of its shares.

Risks and Concerns:

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

Internal Control Systems and their adequacy:

According to the size of the Company, Company has in place a strong Internal Control System.

Discussion on Financial performance with respect to operational performance:

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

Human Resource Development:

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

Cautionary Statement:

Certain statements in this report, which are based on certain assumptions and expectations of future events, which may be forward looking statements within the meaning of applicable laws and regulations. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, actual results or performance could differ materially from such expectations, projections, etc whether express or implied as a result of among other factors, change in economic conditions affecting demand and supply, success of business and operating initiatives and restructuring objectives, change in regulatory environment, other government actions including taxation, natural phenomena such as earthquakes, floods, etc over which the Company does not have any direct control.

ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

2. BOARD OF DIRECTORS:

a) Composition and Size of the Board.

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

Category	Name of the Director
Non-Executive Director (Promoter Group)	Sri. Suresh Shastry, Chairman
Independent Director	Sri. S Lakshmi Narayana Murthy
Independent Director	Sri. G. Ananda

b) Directors Attendance Record and Directorship Held.

Details of Directors attendance at Board Meetings during the year, last Annual General Meeting held on 29th September, 2011 and also the number of Directorships and Committee memberships held by them in other Companies are given below:

Name of the Directors	Number of Board Meetings during the year 2011-12		Whether attended Last AGM	Number of Directorships in other public Companies*	Number of Committee Memberships held in public Companies*	Number of Committee Chairmanships held in public Companies*
	Held	Attended				
Sri.Suresh Shastry DIN 01099554	6	6	Yes	Nil	2	NIL
Sri. S.Lakshmi Narayana Murthy DIN 02725892	6	6	Yes	Nil	2	1
Sri. G.Ananda DIN 02264489	6	4	Yes	Nil	2	1

* excluding Private Limited Companies and Companies under Section 25 of the Companies Act, 1956.

c) Number of Board Meetings:

Six Board Meetings were held during the year 2011-12 and the gap between two meetings did not exceed four months. The dates on which the Board meetings were held were 30th May 2011, 30th July 2011, 30th August 2011, 14th November 2011, 10th February 2012 and 26th March 2012.

3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292(A) of the Companies Act, 1956.

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

The Audit Committee comprises of a) Sri. G.Ananda, Chairman and Non Executive Independent Director b) Sri. Suresh Shastry, Non Executive Director and c) Sri. S.Lakshmi Narayana Murthy, Non Executive Independent Director. The Chairman of the Committee is a B.Sc., A.M.I.E, PGDM from IIM and carries wide experience of working at different levels in various Companies. The other members of the Committee have good knowledge of finance, accounts and business management.

The Audit Committee has been granted powers as prescribed under Clause 49 II (C) of the Listing Agreement.

The Audit Committee met four times during the year 2011-2012 and the gap between two meetings did not exceed four months. The dates on which the Audit Committee Meetings were held are as follows: 30th May 2011, 30th July 2011, 14th November 2011 and 10th February 2012.



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Audit Committee meetings and attendance during the year.

Name	No. of Meetings held during the year 2011-12	No. of Meetings Attended
Sri.Suresh Shastry	4	4
Sri. S.Lakshmi Narayana Murthy	4	4
Sri. G. Ananda	4	3

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required replacement or removal of statutory auditors and fixation of audit fees. Approval of payment to statutory auditors for any other services.
3. Reviewing with management, the quarterly and annual financial statements before submission to the Board for approval.
4. To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors.
5. Reviewing with management, performance of statutory and internal auditors, and adequacy of internal control systems.
6. Discussion with statutory auditors before the audit commences, nature and scope of audit as well as to have post audit discussion to ascertain any area of concern.
7. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. REMUNERATION COMMITTEE:

As there are no whole time managerial personnel in the Company, constitution of remuneration committee does not arise.

5. SHARE TRANSFER CUM INVESTOR GRIEVANCE COMMITTEE:

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

Total Number of Complaints Received and Disposed during the year ended 31.03.2012	Number of cases unresolved at the end of Year 31.03.2012	Pending Request for Demat Account for the year ended 31.03.2012
1	NIL	NIL

Shares and Convertible Instruments held by non-executive Directors.

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

6. REMUNERATION OF DIRECTORS:

The Remuneration to Directors consists only of Sitting fees paid. The total Sitting fee paid during the year ended 31.03.2012 is Rs.15,000/-. The Managerial Remuneration under section 198 of the Companies Act, 1956 is as follows:

Particulars	Year 31.03.2012	Year 31.03.2011
Remuneration	Nil	Nil
Contribution to Provident Fund	Nil	Nil
Contribution to Superannuation	Nil	Nil
House Rent Allowance	Nil	Nil
Perquisites:		
Leave Travel Allowance	Nil	Nil
Others	Nil	Nil
Sitting fees paid to Non Executive Directors	15,000	33,000

7. CEO CERTIFICATION :

The Chairman has certified to the Board that all the requirements of Clause 49 (V) of the Listing Agreement have been complied with.

8. ANNUAL GENERAL MEETINGS :

Details of Annual General Meeting held during the preceding 3 years and Special Resolutions passed thereat are given below:

Year	AGM	Location	Date & Time	Special Resolution passed
2008-09	AGM	Seva Sadan Association, 14th Cross, Malleshwaram, Bangalore-560003	25.09.2009 10.00 a.m	Nil
2009-10	AGM	Seva Sadan Association, 14th Cross, Malleshwaram, Bangalore-560003	30.09.2010 10.00 a.m	1. Reduction of 90% of paid up equity capital from Rs.4,32,00,000/- divided into 4,32,00,000 shares of Re.1/- each to Rs.43,20,000/- divided into 43,20,000 shares of Re.1/- each by cancelling Rs.3,88,80,000/- divided into 3,88,80,000/- equity shares of Re.1/- each and file a Scheme before the BIFR for an Order confirming the reduction in capital.
				2. Approval for Amalgamation of Bhagavathi Enterprises Limited with the Company and file a Scheme before the BIFR for approval of amalgamation.
				3. Increase of Authorised share capital from Rs. 4,50,00,000/- divided into 4,50,00,000 equity shares of Re 1/- each to Rs.6,00,00,000/- divided into 6,00,00,000 equity shares of Re 1/- each.
2010-11	AGM	MEWS Ladies Club, No.37, 12th Cross, Malleshwaram, Bangalore 560 055	29.09.2011 10.00 a.m.	Nil

No special resolutions were passed through Postal Ballot during the year 2011-12.

9. a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the Management, their Subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the company.

b. Details of non-compliance by the Company, penalties, strictures, imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

No penalty was imposed by any of the said authorities on the Company during the last three years.

c. Whistle Blower Policy

During the year, under Whistle Blower Policy no complaints were reported to Audit Committee. The Company has complied with all the mandatory requirements and most of the non-mandatory requirements as specified in the Revised Clause 49 of the Listing Agreement.

10. MEANS OF COMMUNICATION :

A. Quarterly Results :

The approved financial results are forthwith sent to the Stock Exchange where the shares are listed and are displayed on the Company's website www.shimogatechnologies.com and are published in the newspapers as required by the Listing Agreement.



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The Financial Results were published in the following newspaper for each Quarter ended.

For the Quarter ended 30.06.2011	For the Quarter ended 30.09.2011	For the Quarter ended 31.12.2011	For the year ended 31.03.2012
1.Sanje Vani 2.The Financial Express	1.Sanje Vani 2.The Financial Express	1.Hosadigantha 2.The Financial Express	1.Hosadigantha 2.The Financial Express

B. Website:

The Company maintains a functional website www.shimogatechnologies.com, which is updated on regular basis. Quarterly results, Annual Reports, Code of Conduct and Ethics and Shareholding Pattern are available on the website in a user friendly and downloadable form.

C. Annual Report :

The Annual Report containing inter alia the Audited Annual Accounts, Directors' Report, Auditors' Report, Report on Corporate Governance and other important information is circulated to Members and other entitled thereto. The Management Discussion and Analysis forms part of the Annual Report.

11. GENERAL SHAREHOLDER INFORMATION:

11.1. AGM :

Date and Time : 24.09.2012 at 11.00 A.M
Venue : Soundarya Hall, Malleswaram Association, No.110, 7th Cross, Malleswaram, Bangalore – 560 003.

11.2. Financial Calendar:

Results for the Quarter ended 30th June 2012 - 14th August 2012
Results for the Quarter ending 30th September 2012 - 14th November 2012
Results for the Quarter ending 31st December 2012 - 14th February 2013
Results for the Quarter ending 31st March 2013 - End May 2013

11.3. **Book Closure Date :** 19.09.2012 to 24.09.2012 (Both days inclusive)

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

11.5 Listing on Stock Exchanges :

Equity Shares : BSE Ltd., Mumbai
Annual listing fee payable to BSE Ltd. for Financial Year 2012-13 has been paid.

11.6 Stock Codes :

(a) BSE Ltd. – 513418
(b) ISIN Code - INE728B01024

11.7. Stock Market Data :

MONTH	SHARE PRICE MOVEMENT 2011-12	
	SHARE PRICE at BSE (₹)	
	HIGH	LOW
Apr-11	0.37	0.30
May-11	0.34	0.28
Jun-11	0.32	0.28
Jul-11	0.38	0.26
Aug-11	0.40	0.33
Sep-11	0.38	0.32
Oct-11	0.36	0.28
Nov-11	0.30	0.20
Dec-11	0.23	0.20
Jan-12	0.22	0.20
Feb-12	0.24	0.21
Mar-12	0.28	0.21

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

Month/Year	BSE Sensex Index		Share Price at BSE (₹)	
	HIGH	LOW	HIGH	LOW
April 2011	19701.73	19091.17	0.37	0.30
May 2011	18998.02	17847.24	0.34	0.28
June 2011	18845.87	17506.63	0.32	0.28
July 2011	19078.30	18197.20	0.38	0.26
August 2011	18314.33	15848.83	0.40	0.33
September 2011	17165.54	16051.10	0.38	0.32
October 2011	17804.80	15864.86	0.36	0.28
November 2011	17569.53	15858.49	0.30	0.20
December 2011	16877.06	15175.08	0.23	0.20
January 2012	17233.96	15517.92	0.22	0.20
February 2012	18428.61	17300.58	0.24	0.21
March 2012	17919.30	17058.61	0.28	0.21

11.9 Registrar and Transfer Agents :

INTEGRATED ENTERPRISES (INDIA) LIMITED

30, Ramana Residency, 4th Cross,
Sampige Road, Malleswaram,
Bangalore 560 003

Tel : 080 2346 0815 to 818

Fax : 080 2346 0819

E-mail: vijaygopal@integratedindia.in
alfint@vsnl.in

Website : www.iepindia.com

11.10. Share Transfer System: The Registrar and Transfer Agents, M/s. Integrated Enterprises (India) Limited, Bangalore are authorised by the Board for processing of share transfers, which are approved by the Company's Share Transfer Committee.

Share Transfer requests are processed and despatched to the shareholders generally within 15 to 20 days from the date of receipt. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

The Company obtains from a Company Secretary in Practice, half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with the Stock Exchange and files a copy of the certificate with the Stock Exchange. Also, pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, certification is done by a Company Secretary in Practice regarding timely dematerialisation of the shares of the Company. Further, secretarial audit is done on a quarterly basis for reconciliation of the share capital of the Company.

11.11. Category of Shareholding as on 31st March 2012:

Promoter and Promoter group Holding	0.42%
Foreign Holding	0.00%
Other Bodies Corporate	6.79%
Individuals	92.65%
Banks	0.14%



SHIMOGA TECHNOLOGIES LIMITED

Distribution of Shareholding as on 31.03.2012.

No of shares held	Total accounts	Total shares	Total % to paid up capital
Up to 500	1461	4,08,753	0.95
501-1000	7024	69,87,007	16.17
1001-2000	1802	34,30,696	7.94
2001-3000	731	20,83,062	4.82
3001-4000	233	8,97,133	2.08
4001-5000	656	32,52,045	7.53
5001-10000	613	51,53,767	11.93
10001-99999999	495	2,09,87,537	48.58
TOTAL	13015	4,32,00,000	100.00

11.12. Dematerialization of Shares:

75.97% of the Shares of the Company are in dematerialised form as on 31st March 2012.

11.13. Outstanding GDR / Warrants and Convertible Bonds, Conversion Date and likely impact on Equity: N.A.

11.14. **Plant Locations** : Plot Nos. N-12 & N-13, Industrial Estate, Sagar Road, SHIMOGA - 577 204.
(Leased out w.e.f. 1.4.2009)

11.15. Investor Correspondence:

- For Shares in physical form : To the Registrar and Transfer Agents
- For Shares in Dematerialization Form: To the Depository Participant

Annual Declaration pursuant to Clause 49(I)(D)(ii) of the Listing Agreement.

I, Suresh Shastry, Chairman of SHIMOGA TECHNOLOGIES LIMITED, declare that to the best of my knowledge and belief, all the Members of the Board have affirmed their compliance with the Company's code of conduct for the year ended March 31, 2012.

Place: Bangalore
Date : 30.07.2012

SURESH SHASTRY
Chairman

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Members of SHIMOGA TECHNOLOGIES LIMITED
We have examined the compliance of the conditions of Corporate Governance by SHIMOGA TECHNOLOGIES LIMITED ('the Company') for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the

representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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.

For **Naik & Shah,**
Chartered Accountants
FRN010270S

Place : Bangalore
Date : 30.07.2012

SHIRISH SHAH
Partner
Membership Number : 212813

SECRETARIAL COMPLIANCE CERTIFICATE

CIN of the Company: L85110KA1990PLC011303

Authorised Capital: Rs.6,00,00,000/-

To,

The Members,

SHIMOGA TECHNOLOGIES LIMITED

135/3A, 11th Cross, Malleshwaram, Bangalore - 560 003.

I have examined the Registers, Records, Books and Papers of SHIMOGA TECHNOLOGIES LIMITED as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2012. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in 'Annexure – A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in 'Annexure – B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the rules made there under.
3. The Company has minimum paid up capital as prescribed under Sec.3 (1)(iv)(c) of the Act. The Company being a public Company, comments relating to the provisions of Sec.3 (1)(iii) of the Act are not required.
4. The Board of Directors met 6 times respectively on 30.05.2011, 30.07.2011, 30.08.2011, 14.11.2011, 10.02.2012 and 26.03.2012 in respect of which meetings notices were given and proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 24.09.2011 to 29.09.2011 during the year under scrutiny
6. The Annual General Meeting for the financial year ended on 31.03.2011 was held on 29.09.2011 after giving due notice to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meetings were held during the year under scrutiny.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act during the year under Scrutiny.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act during the year under scrutiny.
10. The Company has made necessary entries in the Register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act during the year under scrutiny, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the year under scrutiny.
13. The Company has:
 - (i) Not required to deliver the certificates as there was no allotment transfer/transmission of securities during the year under scrutiny;
 - (ii) not declared any dividend during the year under scrutiny.
 - (iii) not required to post warrants to any member of the Company as no dividend was declared during the year under scrutiny.
 - (iv) not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven year to Investor Education and Protection Fund as there were no such amounts outstanding during the financial year under review.
 - (v) generally complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the year under scrutiny.
15. The Company has not appointed any Managing Director/ Whole-time director/ Manager during the year under scrutiny.
16. The Company has not appointed any sole selling agents during the year under scrutiny.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the year under scrutiny.
18. The Directors have disclosed their interest in other firms/ Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not allotted any shares during the year under scrutiny.
20. The Company has not bought back any shares during the year under scrutiny.
21. As there were no preference shares or debentures issued, there was no redemption of preference shares or debentures during the financial year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted deposits falling within the purview of Section 58A of the Act during the year under scrutiny.
24. The Company has not made any borrowings during the financial year ended 31st March 2012.
25. The Company has not made any loans and investments and given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.



SHIMOGA TECHNOLOGIES LIMITED

29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association with respect to increase of authorized capital during the year under scrutiny.
31. As per the information and explanations given by the Company, there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year under scrutiny, for offences under the Act.
32. As per the information and explanations given by the Company, the Company has not received any money as security from its employees during the year under scrutiny.
33. The Company does not have any Provident Fund scheme pursuant to Section 418 of the Act.

Place: Bangalore
Date: 30.07.2012

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

NAME OF THE COMPANY : SHIMOGA TECHNOLOGIES LIMITED

ANNEXURE - A

Registers as maintained by the Company

Sl.No	Name of the Register
1	Register of Charges U/s. 143(1)
2	Register of Members U/s. 150(1)
3	Register of Companies and firms in which the directors of the company are interested U/s. 301(1)
4	Register of Directors U/s. 303(1)
5	Register of Directors Shareholding U/s. 307(1)
6	Register of Directors Attendance
7	Register of Transfers
8	Books of Accounts U/s 209
9	Minutes of Board Meetings
10	Minutes of General Meetings

ANNEXURE - B

Returns / Forms / Documents filed with Registrar of Companies, Regional Director, Central Govt. or other authorities during the financial year ended on 31st March 2012

I - REGISTRAR OF COMPANIES						
Sl. No.	e-Form No.	Relevant Section	Description of the Document	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing, whether requisite additional fee paid Yes/No
1.	66	383A	Secretarial Compliance Certificate for the year end 31.03.2011.	15.10.2011	Yes	NA
2.	20B	220	Annual Return as on AGM held on 29.09.2011.	26.10.2011	Yes	NA
3.	23AC & ACA XBRL	220	Balance Sheet as on 31.03.2011 and the Profit and Loss Account for the year ended as on that date. (AGM held on 29.09.2011)	29.11.2011	Yes	NA
II - REGIONAL DIRECTOR				NIL		
III - CENTRAL GOVERNMENT AND OTHER AUTHORITIES				NIL		

Place: Bangalore
Date: 30.07.2012

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

AUDITORS' REPORT

TO

THE MEMBERS OF **SHIMOGA TECHNOLOGIES LIMITED**

1. We have audited the attached Balance Sheet of Shimoga Technologies Limited as at 31 March 2012 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditors Report) (Amendment) Order, 2004, (together 'the order') issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. We report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account, as required by law have been kept by the company so far as appears from our examination of those books;
 - iii) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
 - iv) In our opinion the Balance Sheet and, Statement of Profit & Loss and the Cash Flow Statement dealt with this report, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent it is applicable.

- v) On the basis of written representations received from the directors, as on 31 March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) Attention is invited to :
 - a.) Point No.8 of Part I of Note 2 regarding preparation of accounts on going concern basis although the networth of the company has substantially eroded and Point 9 of Part II of Note 2 regarding leasing plant and machinery. Accordingly, the financial statements do not include adjustments aforesaid in case the management's business plans do not materialise.
 - b.) Point No.11 of Part II of Note 2 regarding the company being a sick industrial company within the meaning of clause (o) of sub section (1) of section 3 of the Sick Industrial Companies Act, 1985, and the company has been directed to file rehabilitation scheme with the Board for Industrial and Financial Reconstruction ('BIFR') under the provisions of the Sick Industrial Companies Act, 1985.
- vii) Subject to the matters referred above, in our opinion and to the best of information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31 March 2012;
 - b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date;

For **Naik & Shah,**
Chartered Accountants
FRN010270S

Place : Bangalore
Date : 28.05.2012

SHIRISH SHAH
Partner
Membership Number : 212813



Annexure to the Auditors' Report

(as referred in paragraph 3 of our report)

- i) (a) the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) the Company has a regular programme for physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;
- (c) During the year, the company has not disposed off substantial / major part of fixed assets.
- ii) The company did not have inventories at any time during the year. Consequently, the requirements regarding physical verification of inventories, maintenance of records of inventory and discrepancies between physical stocks and book records are not applicable to the company for the year.
- iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, during the period. As the Company has not granted any loans, secured or unsecured, to parties listed in the register maintained under Section 301 of the Companies Act, 1956, clauses iii(b), iii(c), and iii(d) of the paragraph 4 of the Order, are not applicable;
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, during the period. As the Company has not taken any loans, secured or unsecured, from parties listed in the register maintained under Section 301 of the Companies Act, 1956, clauses iii(f) and iii(g) of the paragraph 4 of the Order, are not applicable;
- iv) In our opinion and according to the information and explanations given to us, there is an internal control system commensurate with the size of the Company and the nature of its business with regards to the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit no major weakness has been noticed in respect of these areas;
- v) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that all transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered;
- vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the Rules framed thereunder;
- vii) The company has an internal audit system, which in our opinion needs to be strengthened;
- viii) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956;
- ix) (a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including tax deducted at source, excise duty, sales tax/value added tax, entry tax and professional tax and other statutory dues with the appropriate authorities during the year;
- (b) According to the information and explanation given to us, and on the basis of our examination of the books of account, there is no undisputed dues in respect of income tax, wealth tax, sales tax, customs duty and excise duty outstanding, as at the last day of the financial year, for a period of more than six months since they became payable;
- (c) As at 31 March 2012, according to the records of the Company, no dues outstanding on sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess and Investor education and protection fund, on account of any dispute.
- x) In our opinion, the accumulated losses of the company at the end of the financial year is greater than fifty percent of its networth as at the last day of the financial period and has incurred cash loss during the financial year ended on that date;
- xi) according to the information and explanation given to us and based on our audit procedures, we are of the opinion that the Company, has not defaulted in repayment of its dues to any financial institution, bank or to debenture holder during the period;
- xii) the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiii) in our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, clause (xiii) of the Order is not applicable to the Company;
- xiv) in our opinion and according to information and explanations given to us, the Company is not a dealer or trader in securities;
- xv) according to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions;

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- xvi) according to the information and explanations given to us, no term loan has been borrowed by the company;
- xvii) based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long-term investment;
- xviii) the Company has not made any preferential allotment of shares to parties and the companies covered in the Register maintained under Section 301 of the Companies Act, 1956;
- xix) the Company has not issued any debentures during the year;
- xx) the Company has not raised any money by public issue during the period, accordingly clause 4(xx) of the order is not applicable;

- xxi) During the course of examination of the books and records of the company, carried out in accordance with the auditing practices generally accepted in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company for the year, nor have we been informed of such case by management;

For **Naik & Shah,**
Chartered Accountants

FRN010270S

Place : Bangalore
Date : 28.05.2012

SHIRISH SHAH
Partner
Membership Number : 212813



SHIMOGA TECHNOLOGIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note No.	As at 31 March 2012 ₹	As at 31 March 2011 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	4,32,00,000	4,32,00,000
(b) Reserves and surplus	4	(5,92,29,654)	(5,90,71,130)
(c) Money received against share warrants		-	-
		(1,60,29,654)	(1,58,71,130)
Current liabilities			
(a) Other current liabilities	5	3,17,07,098	3,36,76,884
		3,17,07,098	3,36,76,884
TOTAL		1,56,77,444	1,78,05,754
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6.A	1,37,35,096	1,57,91,413
(ii) Intangible assets	6.B	11,705	18,153
		1,37,46,801	1,58,09,566
Current assets			
(a) Cash and cash equivalents	7	27,890	54,884
(b) Short-term loans and advances	8	19,02,753	19,41,304
		19,30,643	19,96,188
TOTAL		1,56,77,444	1,78,05,754

The notes referred to above form part of the Balance Sheet

For and on behalf of the Board of Directors

As per our report of even date
For Naik & Shah
Chartered Accountants
FRN 010270S

Suresh Shastry
Chairman

G Ananda
Director

Shirish Shah
Partner
M No.: 212813

Place: Bangalore
Date : 28.05.2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Note No.	For the Year Ended 31 March 2012 ₹	For the Year Ended 31 March 2011 ₹
CONTINUING OPERATIONS			
Revenue from operations		-	-
		-	-
Other income	9	34,20,011	45,68,992
Total revenue (1+2)		34,20,011	45,68,992
Expenses			
(a) Finance costs	10	1,103	6,73,716
(b) Depreciation and amortisation expense	6A & B	19,76,284	20,53,112
(c) Other expenses	11	15,14,669	14,46,146
Total expenses		34,92,056	41,72,974
Profit / (Loss) before exceptional and extraordinary items and tax		-72,045	3,96,018
Exceptional items & Extraordinary items		-	-
Write off - Dies and Tools		86,480	-
Profit / (Loss) for the year		-1,58,524	3,96,018
Earnings per share (of ₹ 1/- each) :			
(a) Basic		-0.01	0.01
(b) Diluted		-0.01	0.01
Earnings per share (excluding extraordinary items) (of ₹ 1/- each) :			
(a) Basic		-0.01	0.01
(b) Diluted		-0.01	0.01

The notes referred to above form part of the Balance Sheet

For and on behalf of the Board of Directors

As per our report of even date
For Naik & Shah
Chartered Accountants
FRN 010270S

Suresh Shastry
Chairman

G Ananda
Director

Shirish Shah
Partner
M No.: 212813

Place: Bangalore
Date : 28.05.2012



SHIMOGA TECHNOLOGIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

PARTICULARS		Year ended 31.03.2012		Year ended 31.03.2011	
		₹	₹	₹	₹
A.	Cash Flow from Operating Activities :				
	Profit/(Loss) for the year (a)		(1,58,524)		3,96,018
	Add: Adjustments for:				
	Depreciation for the year	19,76,284		20,53,112	
	Loss on withdrawal of fixed assets	86,480		-	
	Sub Total (b)	20,62,764		20,53,112	
	Operating Profit before working capital changes (c=a+b)		19,04,240		24,49,131
	Add:				
	Decrease in loans and advances	38,551		20563	
	Decrease in Trade Payables	-		1,35,348	
	Sub Total (d)		38,551	1,55,911	
	Less:				
	Increase in short term loans and advances	-		-	
	Decrease in current liabilities	19,69,786		24,79,218	
	Sub Total (e)		19,69,786	24,79,218	
	Cash generated from operations (f=c+d-e)		(26,995)	1,25,824	
	Net cash from operating activities (A = f)		(26,995)		1,25,824
B.	Cash Flow from Investing Activities :				
	Purchase of fixed assets	-		(2,03,345)	
	Assets written off	-		-	
	Sale of fixed assets	-		-	
	Sub Total			(2,03,345)	
	Net cash used in investing activities (B)				(2,03,345)
C.	Cash Flow from Financing Activities :				
	Net cash used in financing activities (C)				
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(26,995)		(77,520)
	Cash and cash equivalents as at beginning		54,884		1,32,404
	Cash and cash equivalents as at closing		27,889		54,884

For and on behalf of the Board of Directors

As per our report of even date

For Naik & Shah

Chartered Accountants

FRN 010270S

Suresh Shastry
Chairman

G Ananda
Director

Shirish Shah
Partner

M No.: 212813

Place: Bangalore
Date : 28.05.2012

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE NO. 1

The company was incorporated under the Companies Act, 1956 on 22 October 1990 as a Private Limited Company under the name Shimoga Forge Pvt Ltd. The Company changed its name to Shimoga Technologies Ltd on 17 August 2000. The company is listed on Bombay Stock Exchange.

NOTE NO. 2

PART I

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statement

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

2. Fixed Assets & Depreciation:

- a) Fixed assets are capitalised at acquisition cost including costs directly attributable to bringing the assets to their working condition, for the intended use.
- b) Certain assets identified as having reached their economic useful life have been withdrawn from active use. The carrying value of such assets is charged to the statement of profit and loss. Income on such assets shall be recognised upon sale or disposal.
- c) Depreciation is provided on straight-line method in accordance with rates prescribed in Schedule XIV to the Companies Act, 1956.

3. Impairment of Assets:

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

4. Employee Benefits:

i. Defined Contribution plans

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

ii. Defined benefit plans

The Company has provided for the liability towards gratuity on the basis of 15 days salary for each completed year of service in respect of employees who are on the rolls as at 31 March 2012.

Provision for the liability on account of leave encashment has been made based on the last drawn salary.

Details of Current Service cost, interest cost, Gross Liability, Past Service cost, Fair Value of Plan assets and movement of net liability has not been furnished as actuarial valuation has not been carried out and no investments have been made towards meeting the aforesaid liabilities as there are no employees on the rolls since 1 April 2010.

5. Provision for Current Tax and Deferred Tax:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing differences" between taxable income and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. However, no deferred tax assets are recognised on carry forward of tax losses and unabsorbed tax depreciation since there is no virtual certainty in respect of future taxable income. If deferred tax assets are to be recognised on carry forward of tax losses and unabsorbed tax depreciation the loss for the period would diminish by ₹ 85.25 Lakhs.

6. Earnings Per Share:

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

7. Provision, Contingent Liabilities and Contingent Assets:

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

The Company has received a demand of ₹ 5,66,350 along with interest thereon vide the order of Assistant Commissioner of Central Excise towards Service Tax on lease of immovable property. The Company is contemplating preferring an appeal against the order.

8. Going Concern

In accordance with the resolution passed at the extraordinary general meeting, the company has entered into an agreement on 29 March 2009 with Smiths & Founders (India) Ltd for leasing of its plant and machinery. The lease agreement has been renewed for a further period of 11 months with effect from 1 April 2012



SHIMOGA TECHNOLOGIES LIMITED

Considering the manufacturing facilities are still in use, the management's assessment of improvement in operations in general, the accounts of the company have been prepared on a Going Concern basis although the manufacturing facilities have been leased. The accumulated loss exceeds the net worth of the company by ₹ 1,60,29,654.

In order to revive the business and enhance the future prospects of the Company, the Company has submitted a draft rehabilitation scheme to IDBI Bank (Appointed as operating agency by BIFR on (22 August 2005) for onward submission before the Board for Industrial and Financial Reconstruction ('BIFR'). The draft rehabilitation scheme, inter alia, envisages amalgamation of Smiths & Founders India Limited with the Company.

The shareholders have already approved the proposal of amalgamation of Smiths & Founders India Limited with the Company.

previous year's figures have been accordingly regrouped wherever necessary to conform to the current year's classification.

2. Figures have been rounded off to the nearest rupee.
3. No provision has been made for taxation, as there is no taxable income in terms of the provisions of the Income-tax Act, 1961.
4. Contingent liabilities:

We are unable to ascertain or quantify the amount towards contingent liabilities, consequent to the delays and defaults in compliances with the filings under the Karnataka Sales Tax / Karnataka Value Added Tax / Service Tax/ Tax Deducted at Source / Excise Duty / Provident Fund / Professional Tax as the proceedings are underway and no indications are available as to the direction the proceedings will take.

5. The company has received refund order from Department of Commercial Tax in respect of 2001-02 amounting to ₹ 15,02,081. The excess provision made towards VAT, Entry Tax, Professional Tax, Excise, Service Tax etc totalling to ₹ 15,31,269 has been written back. These amounts are included in statement of Profit and loss under the head – Other incomes.

PART II

NOTES ON ACCOUNTS:

- 1) The financial statements have been prepared in consonance with Revised Schedule VI to the Companies Act, 1956, to the extent possible for presentation and

6. Related Party Disclosures:

(a) Transaction with related parties and key managerial personnel:

Name of the Party	Transactions details	Year ended 31-03-2012 Amount (₹)	Year ended 31-03-2011 Amount (₹)
Smiths & Founders (India) Ltd	Lease rentals on hiring of plant and machinery	3,00,000	6,75,000

(b) Balance with related parties

Name of the Party	Particulars	Year ended 31-03-2012 Amount (₹)	Year ended 31-03-2011 Amount (₹)
Smiths & Founders (India) Ltd	Lease rental deposit received	3,15,46,855	3,18,78,344

7. Prior Period adjustments:

Particulars	Year ended 31 March 2012 (₹)	Year ended 31 March 2011 (₹)
Expenditure:		
Others	-	90,453
Total	-	90,453
Income:		
Others	-	10,000
Total	-	10,000
Net Prior Period Expenditure	-	80,453

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

PARTICULARS	2011-12	2010-11
Net Profit/(loss) for the year (₹)	(1,58,524)	3,96,018
No. of Equity Shares outstanding at the beginning of the year	43,200,000	43,200,000
No. of Equity Shares outstanding at the end of the year	43,200,000	43,200,000
Weighted average number of equity shares	43,200,000	43,200,000
Nominal value per share (₹)	1	1
Basic & Diluted earnings per share	(0.01)	0.01

9. The company has entered into two lease agreements for letting out of plant and machinery and establishment of office premises.

i. The lease arrangement is for 11 months in respect of plant and machinery and is renewable on mutually agreeable terms. The agreement was renewed for 11 months with effect 1 February 2011 and further extended for a period of 3 months. The aggregate lease rentals receivable for the year is reflected as rent received / receivable under other income in the Statement of profit and loss.

The company has created an equitable mortgage by deposit of title deeds of land and building situated at Plots No. N12 & N13, Industrial Estate, Sagar Road, Shimoga and also hypothecated the plant and machinery in favour of Smiths & Founders (India) Ltd as a security for the deposit for ₹ 2.40 Crores given by them for leasing the manufacturing facilities.

ii. In respect of establishment of office premises, the lease arrangement is for 11 months and is renewable on mutually agreeable terms. The lease was further renewed for 11 months from 1 October 2011. The aggregate lease rentals payable for

the year is reflected as rent paid / payable under indirect expense in the Statement of profit and loss. The disclosure required as per Accounting Standard 19 with regard to the above is as under:

- a) Payments under operating lease for period:
- 1) Not later than one year: ₹ 47,177
 - 2) Later than one year but not later than five year: ₹ 2,15,680
- b) Payment recognised in the Statement of Profit and Loss for the year ended 31 March, 2012 is ₹ 44,748

10. There are no employees who are in receipt of remuneration in excess of the limits specified under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

11. The company has been declared a sick industrial company within the meaning of clause (o) of sub section (1) of section 3 of the Sick Industrial Companies Act 1985, and the company has been directed to submit draft rehabilitation scheme for revival.

12. Earnings in Foreign Currency: Nil (Previous Year ₹ Nil)

NOTE 3 SHARE CAPITAL

PARTICULARS	Year ended 31.03.2012		Year ended 31.03.2011	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹ 1 each with voting rights	6,00,00,000	6,00,00,000	6,00,00,000	6,00,00,000
(b) Issued Equity shares of ₹ 1 each with voting rights	4,32,00,000	4,32,00,000	4,32,00,000	4,32,00,000
(c) Subscribed and fully paid up Equity shares of ₹ 1 each with voting rights	4,32,00,000	4,32,00,000	4,32,00,000	4,32,00,000
TOTAL	4,32,00,000	4,32,00,000	4,32,00,000	4,32,00,000



SHIMOGA TECHNOLOGIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 4 RESERVES AND SURPLUS

PARTICULARS	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) General reserve		
Opening balance	-5,90,71,130	-5,94,67,149
Add: Transferred from surplus in Statement of Profit and Loss	-1,58,524	3,96,019
Less: Utilised / transferred during the year for:		
Closing balance	-5,92,29,654	-5,90,71,130

NOTE 5 OTHER CURRENT LIABILITIES

(i) Other payables		
(ii) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	12,214	4,41,580
(iii) Interest accrued on others	1,13,235	10,42,801
(iv) Lease Rental Deposit - S&FIL (BEL)	3,15,46,855	3,18,78,345
(v) Others	34,794	3,14,159
TOTAL	3,17,07,098	3,36,76,884

NOTE 6.A TANGIBLE ASSETS

Amount in ₹

Sl.	Asset	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01-04-2011	Additions	Deletions	As at 31-03-2012	As at 1-04-2011	Additions	Deletions	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
1	Building	72,42,252	-	-	72,42,252	34,64,961	2,38,854	-	37,03,815	35,38,437	37,77,291
2	Computer	2,99,344	-	-	2,99,344	2,27,965	30,568	-	2,58,533	40,811	71,379
3	Dies And Tools	1,27,98,086	-	1,27,98,086	-	1,27,11,606	-	1,27,11,606	-	-	86,480
4	Electrical Installation	8,38,756	-	-	8,38,756	4,77,730	35,742	-	5,13,472	3,25,283	3,61,026
5	Furniture And Fixture	2,29,059	-	-	2,29,059	1,88,556	5,797	-	1,94,353	34,706	40,503
6	Hand Tools And Equipments	2,62,942	-	-	2,62,942	2,20,596	8,318	-	2,28,914	34,028	42,346
7	Land	20,24,158	-	-	20,24,158	-	-	-	-	20,24,158	20,24,158
8	Office Equipments	3,61,154	-	-	3,61,154	1,75,474	14,895	-	1,90,368	1,70,785	1,85,680
9	Other Tools	2,26,235	-	-	2,26,235	2,18,089	1,745	-	2,19,833	6,401	8,146
10	Plant And Machinery	3,22,97,236	-	-	3,22,97,236	2,31,02,834	16,33,917	-	2,47,36,751	75,60,486	91,94,403
	TOTAL	5,65,79,222	-	1,27,98,086	4,37,81,136	4,07,87,810	19,69,836	1,27,11,606	3,00,46,040	1,37,35,096	1,57,91,412

NOTE 6.B INTANGIBLE ASSETS

Sl.	Intangible Asset	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As at 01-04-2011	Additions	Deletions	As at 31-03-2012	As at 1-04-2011	Additions	Deletions	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
1	Computer Software	47,144	-	-	47,144	28,991	6,448	-	35,439	11,705	18,153
	TOTAL	47,144	-	-	47,144	28,991	6,448	-	35,439	11,705	18,153

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 7 CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31 March, 2012 ₹	As at 31 March, 2011 ₹
(a) Cash on hand	3,502	22,402
(b) Balances with banks	24,387	32,482
TOTAL	27,889	54,884

NOTE 8 SHORT-TERM LOANS AND ADVANCES

(a) Security deposits	1,500	1,500
(b) Others (specify nature)	1,500	1,500
Secured, considered good		
i. Deposits With Govt.Authorities	13,68,099	14,44,715
ii. Deposits With Others	35,000	35,000
iii. Loans & Advances (Asset)	4,98,154	4,60,089
	19,01,253	19,39,804
TOTAL	19,02,753	19,41,304

NOTE 9 OTHER INCOME

Note	Particulars	For the Year Ended 31 March 2012 ₹	For the Year Ended 31 March 2011 ₹
(a)	Interest income (Refer Note (i) below)	60,224	35,50,214
(b)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	33,59,787	10,18,778
	TOTAL	34,20,011	45,68,992
(i)	Interest income	0	0
	Other interest	60,224	35,50,214
	Total - Interest income	60,224	35,50,214
(ii)	Other non-operating income comprises:	0	0
	Rental income from operating leases	3,00,000	7,66,125
	Liabilities / provisions no longer required written back	15,57,706	2,23,890
	Re-Fund Relating to Earlier Years	15,02,081	0
	Discount Received	-	28,763
	Total - Other non-operating income	33,59,787	10,18,778



SHIMOGA TECHNOLOGIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 10 FINANCE COSTS

PARTICULARS	For the Year Ended 31 March 2012 ₹	For the Year Ended 31 March 2011 ₹
(a) Interest expense on:		
(i) Borrowings	1,103	2,054
(ii) Interest on statutory liabilities	-	6,71,662
TOTAL	1,103	6,73,716

NOTE 11 OTHER EXPENSES

Power and fuel	0	600
Rent including lease rentals	44,748	42,446
Repairs and maintenance - Buildings	13,555	20
Repairs and maintenance - Others	1,544	1,544
Insurance	0	149
Rates and taxes	46,046	2,08,927
Travelling and conveyance	1,37,996	53,431
Printing and stationery	1,374	2,680
Business promotion	49,728	67,832
Professional & Consultancy Charges	6,40,570	6,30,640
AGM Expenses	1,38,293	1,58,003
Payments to auditors (Refer sub-note (i) below)	1,02,746	1,37,327
Bad debts and other receivables, loans and advances written off	2,91,019	0
Prior period items (net) # (Refer sub-note (ii) below)	0	80,453
Miscellaneous expenses	47,049	62,094
TOTAL	15,14,669	14,46,146
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	33,708	33,090
For taxation matters	22,472	22,060
For other services	46,566	82,177
TOTAL	1,02,746	1,37,327
(ii) Details of Prior period items (net)		
Prior period expenses	0	90,453
Prior period income	0	-10,000
TOTAL	0	80,453

SHIMOGA TECHNOLOGIES LIMITED

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

ATTENDANCE SLIP

(Please fill this attendance slip and hand it over at the entrance of the meeting hall)

DP ID *	
Client ID*	

Regd.Folio	
Number of Shares Held	

I hereby record my presence at the Twentyfirst Annual General Meeting of the Company held on Monday, 24th September, 2012 at 11.00 a.m at Soundarya Hall, Malleswaram Association, No.110, 7th Cross, Malleswaram, Bangalore – 560 003.

Name of the Attending Shareholder.....

Name of the Proxy.....

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

Signature of the Shareholder/Proxy.....

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

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



SHIMOGA TECHNOLOGIES LIMITED

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

DP ID *	
Client ID*	

Regd.Folio	
Number of Shares Held	

PROXY FORM

I/Weof..... being a member/ members of SHIMOGA TECHNOLOGIES LIMITED hereby appoint..... of.....failing him.....of..... as my/ our proxy to attend and vote for me/us and on my/our behalf at the Twentyfirst Annual General Meeting of the Company to be held on Monday, 24th September, 2012 at 11.00 a.m at Soundarya Hall, Malleswaram Association, No.110, 7th Cross, Malleswaram, Bangalore – 560 003 and at any adjournment thereof.

Signed this.....day of....., 2012.

Affix 1 Re.
Revenue Stamp

Signed proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting. The proxy need NOT be a member.

BOOK-POST

If undelivered please return to :



SHIMOGA TECHNOLOGIES LIMITED

Regd. Office : Post Box No. 330,
#135/3A, 11th Cross, Malleswaram,
Bangalore - 560 003