



**ANNUAL REPORT 2017-2018**

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**SHILCHAR  
TECHNOLOGIES LIMITED**



## Corporate Information

### BOARD OF DIRECTORS

Mr. Jitendra C. Shah	Chairman & Director
Mr. Alay J. Shah	Managing Director
Mr. O. P. Khanna	Director
Mr. Mukesh D. Patel	Director
Ms. Reshma S. Patel	Director
Mr. Zarksis Parabia	Director

Mr. Prajesh K. Purohit	CFO
Ms. Niki Kandoi	Company Secretary

### BANKERS

Bank of Baroda  
Standard Chartered Bank

### AUDITORS

M/s. CNK & Associates LLP,  
Chartered Accountants,  
C - 201 - 202 Shree siddhi vinayak Complex  
Opp. Alkapuri, Railway Station,  
Faramji Road - Alkapuri,  
Vadodara - 390 005

### REGISTERED OFFICE

Bil Road, Bil - 391 410, Dist. Vadodara, India.  
Phone : 0265-268 0466, 268 0566 Fax : 0265-268 0611  
Email : info@shilchargroup.com  
Visit us at www.shilchargroup.com  
CIN : L29308GJ1986PLC008387

### REGISTER & TRANSFER AGENT

MCS Share Transfer Agency Limited  
2nd Floor, 10, Aram Apartment,  
12, Sampatrao Colony, Alkapuri,  
Vadodara - 390 007, Gujarat  
Ph. No. : 0265-231 4757 Fax No. : 0265-235 0490  
Email : mcsLtdbaroda@gmail.com

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**NOTICE**

NOTICE is hereby given that the Thirty Second (32<sup>nd</sup>) Annual General Meeting of Members of Shilchar Technologies Limited (the Company) will be held at the Registered office of the Company at Bil Road, Bil- 391 410, District Vadodara, in the State of Gujarat on Monday, the 13<sup>th</sup> day of August, 2018 at 10.00 a.m. to transact the following business :

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 including the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss, Statement of Cash Flow and and Statement of change in Equity for the year ended on that date together with and the reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on equity shares of the Company for the financial year ended 31<sup>st</sup> March, 2018.
3. To appoint a Director in place of Mr. Alay Shah (DIN-00263538) ,who retires by rotation and being eligible ,offers himself for re-appointment.

**Special Business:**

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:  
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the companies (Appointment and Qualification of Directors) Rules, 2014 made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Om Prakash Khanna (DIN-00304268), Independent Director of the Company be and is hereby reappointed as an Independent Director of the Company to hold office for further term of five consecutive years from April 01, 2019 up to March 31, 2024 whose period of office shall not be liable to determination by retirement by rotation."
5. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:  
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the companies (Appointment and Qualification of Directors) Rules, 2014 made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Mukesh Patel (DIN -00009605), Independent Director of the Company be and is hereby reappointed as an Independent Director of the Company to hold office for further term of five consecutive years from April 01, 2019 up to March 31, 2024 whose period of office shall not be liable to determination by retirement by rotation."
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to provision of Section 148(3) of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules, 2014 and upon recommendation Audit committee and as proposed by the Board, consent of the Company be and is hereby accorded to pay remuneration of Rs.25000 excluding out of pocket expenses plus applicable GST to Cost Auditors of the Company M/s. K H Shah & Co, Cost Accountants, Vadodara for the F.Y. 2018-2019.

RESOLVED FURTHER that the Board of Directors and / or its delegated authority be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to the above resolution."

By order of the Board of Directors  
For SHILCHAR TECHNOLOGIES LIMITED

Place: Bil, District Vadodara  
Date: 28.05.2018

ALAY SHAH  
MANAGING DIRECTOR  
DIN: 00263538



**Details of Directors seeking re-appointment at the forthcoming Annual General Meeting**

(PURSUANT TO REGULATION 36(3) of THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

Name of Director	Mr. Alay J Shah	Mr. O P Khanna	Mr. Mukesh Patel
Date of Birth	04.07.1966	24.10.1938	12.12.1949
Date of Appointment	30.07.2003	01/01/1995	01/01/1995
Expertise in Specific Functional Area	Production, Finance, Marketing, Design & Administration	Engineering	Engineering
Qualifications	BSC (Electronics Engineering Technology)	B. Tech (Hons.) in Mechanical Engineering, Post Graduate degree in Manufacturing Management, fellow members of Institution of Electrical Engineering (UK), Institution of Industrial Engineering, (India) and Indian Institute of Production Engineers, (India)	Graduate in Chemical Engineering
Directors in other public limited companies	Nil	Nil	03
Other positions	Nil	Nil	Nil
Membership of committees in other public limited companies	Nil	Nil	1.Audit committee 2.Nomination and Remuneration committee 3.Shareholders' and investors Grievance committee
Inter relationship	He is a Managing Director and relative of Mr. Jitendra C. Shah, Chairman	Nil	Nil
Shares held in the company	1045416 shares	Nil	Nil

**NOTES:**

1. The Register of members and Share Transfer Books of the Company will remain closed from 06/08/2018 to 13/08/2018 (both days inclusive) for annual closing and determining the entitlement of shareholders to the final dividend for 2017-18.
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. Alay J. Shah, Managing Director will retire at the ensuing annual general meeting and being eligible offers himself for re-appointment.



6. In terms of THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 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 31<sup>st</sup> March, 2018, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 13/08/2018 and in respect of shares held in dematerialized form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on 13/08/2018. The dividend warrants will be posted on or about 07/09/2018.
  - 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. During the year under review, the Company has appointed M/s. MCS Share Transfer Agent Limited as its Registrar and Transfer Agent (RTA) having their administrative office situated at 02<sup>nd</sup> Floor, 10, Aaram Apartment, 12 Sampatrao Colony, B/H Laxmi Hall, Vadodara -390 007 in the State of Gujarat. The aforesaid RTA is handling registry work in respect of shares held both in physical form and in electronic/demats 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 the provisions of section 123 to 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 (the Rules), dividend for the financial year ended 31.03.2011 and thereafter, which remain unclaimed for a period of 7 years from the date of transfer of the same as referred to Section 124 of the Companies Act, 2013, will be transferred to the Investor Education and Protection Fund of the Central Government established under Section 125 of the Companies Act, 2013 in month of July 30<sup>th</sup>, 2018. Members who have not yet encased their warrant(s) are requested to make their claims to the Company without any delay. Pursuant to the Rules, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.shilchargroup.com](http://www.shilchargroup.com)), as also on the website of the IEPF viz. ([www.iepf.gov.in](http://www.iepf.gov.in)).
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.
14. 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.
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. E –Voting:

The Company has provided remote e-voting (e-voting from a place other than venue of the AGM) facility through Central Depository Services (India) Limited, as an alternate, for all members of the Company to enable them to cast their votes electronically, on the resolutions mentioned in the Notice of the 32<sup>nd</sup> General Meeting of the Company dated 13/08/2018 (the AGM Notice).

The facility for voting either through electronic means system or through ballot/polling paper shall also be made available at the venue of the 32<sup>nd</sup> AGM. The members attending the meeting, who have not already cast their votes through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed M/S. Kashyap Shah & Co., Practicing Company Secretaries, Vadodara, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E–Voting is optional. In terms of requirement of the Companies Act, 2013 and relevant Rules, the Company has fixed 06/08/2018 as the ‘Cut-off Date.

The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them on the Cut-off Date i.e. 06/08/2018 only.

The instructions for shareholders voting electronically are as under:

The voting period begins on Friday 10/08/2018 at (IST 10.00 a.m.) and ends on Sunday, 12/08/2018 at (IST 5.00 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 i.e.06/08/2018, (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

Click on Shareholders.

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
Members holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).



After entering these details appropriately, click on “SUBMIT” tab.

- ❖ Members holding shares in physical form will then directly reach 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.
- ❖ For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ❖ Click on the EVSN for the relevant <SHILCHAR TECHNOLOGIES LIMITED> on which you choose to vote.
- ❖ 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.
- ❖ Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- ❖ 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.
- ❖ Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- ❖ You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- ❖ If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- ❖ Shareholders can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).
- ❖ Note for Non – Individual Shareholders and Custodians
- ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- ❖ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- ❖ The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 06/08/2018.
- (d) Mr. Kashyap Shah, 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](http://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.
- (j) A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

**ANNEXURE TO THE NOTICE**

Statement pursuant to section 102 of Companies Act, 2013, in respect of item nos. 4, 5 & 6 of the Notice:

**Item No- 4 & 5**

- ❖ The Members of the Company, at the 28<sup>th</sup> Annual General Meeting held on Regd. Office at Bil Road, Bil-391410, District: Vadodara (Gujarat) had approved the reappointment of Mr. Om Prakash Khanna and Mr. Mukesh Patel as Independent Directors of the Company, whose term is due to expire on 31-3-2019.
- ❖ As per Section 149(10) of Companies Act, 2013, an Independent Director shall hold office for terms of up to consecutive five years on the Board of Company, but shall be eligible for reappointment on passing a Special Resolution by the company for another term of up to five consecutive years on the board of a company.
- ❖ In line with aforesaid provision and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Om Prakash Khanna and Mr. Mukesh Patel it is proposed to re-appoint them for second term as Independent Directors on the Board of Shilchar Technologies Limited for the period of five years upto 31-3-2024.
- ❖ The Board has conducted performance evaluation of Mr. Om Prakash Khanna and Mr. Mukesh Patel, Independent Directors. In opinion of Board based and on the basis of performance evaluation report, Mr. O.P. Khanna and Mr. Mukesh Patel, fulfill the conditions specified in the act and both are Independent of the management. Copy of the draft letter of appointment of Mr. Om Prakash Khanna and Mr. Mukesh Patel as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at Registered Office of Company during normal working hours on any working day, excluding Saturday.
- ❖ The board considers that their continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr. Om Prakash Khanna and Mr. Mukesh Patel as Independent Directors. Accordingly, the board recommends passing of the Resolution at Item No. 4 & 5 of the Notice as Special Resolutions.
- ❖ Except Mr. Omprakash Khanna and Mr. Mukesh Patel being appointees, none of the Directors and Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in resolution set out at Item No. 4 & 5.





**Item no. 6**

- ❖ As per the Cost Audit Rule 3A (IV) which are notified by the Ministry of Corporate Affairs on 30<sup>th</sup> June, 2014, the same is applicable to the Company and accordingly the Company is required to keep the Cost Records on or after the 1<sup>st</sup> day of April, 2014, and shall in compliance with the same within one hundred and eighty days of the commencement of every financial year to appoint a cost auditor with the approval of the shareholders.
- ❖ As per the provisions i.e. Section 148 of the Companies Act, 2013 and as per Companies (Audit & Auditors) Rules, 2014, the proposal of Appointment of Cost Auditors was placed before the Audit Committee and as recommended by Audit Committee along with the remuneration of Cost Auditors, the Board in its meeting held on 28.05.2018 considered and approval the said proposal to appoint M/s. K H Shah & Co., as Cost Auditors of the Company for the F.Y. 2018-2019 at the remuneration of Rs.25000/- excluding out of pocket expenses plus applicable service tax, Now, the resolution is being placed before the Members of the Company for the approval and ratification of the remuneration to the Cost Auditors.
- ❖ None of the Directors, relative of Directors or Key Managerial Personnel of the Company are in any way concerned or interested in the resolution proposed under this item no. 6.
- ❖ The resolutions at Item No. 6 of the notice are recommended for approval.

By order of the Board of Directors  
For SHILCHAR TECHNOLOGIES LIMITED

Place: Bil, District Vadodara  
Date: 28.05.2018

MR. ALAY SHAH  
MANAGING DIRECTOR  
DIN: 00263538



**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 32<sup>nd</sup> Annual General Meeting to be held on Monday, 13<sup>th</sup> August, 2018, at 10.00 a.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 31.03.2018.
2. Approval of Final Dividend for the year ended 31.03.2018.
4. Re-appointment of Mr. Alay Shah who retires by rotation.

**Special Business:** 4. Re-appointment of Mr. Om Prakash Khanna as an Independent Director

5. Re-appointment of Mr. Mukesh Patel as an Independent Director
- Approval of remuneration of Cost Auditors for FY 2018-19.

In this 28<sup>th</sup> day of May, 2018

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



**Form No. MGT-12  
Polling Paper**

*[Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]*

Name of the Company		<b>SHILCHAR TECHNOLOGIES LIMITED</b>
Registered Office		CIN: L29308GJ1986PLC008387Bil Road, Bil-391410, District: Vadodara (Gujarat) Tel +91 992448207, Fax: 0265-2680611 Website: www.shilchargroup.com E-mail: info@shilchargroup.com
<b>Sr.No</b>	<b>Particulars</b>	<b>Details</b>
1	Name of the First Named Shareholder (In Block Letter)	
2	Postal Address	
3	Registered Folio No./ Client ID No. (* Applicable to investors holding shares in dematerialized form)	
4	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner.

<b>No.</b>	<b>Item No.</b>	<b>No. of shares held by me</b>	<b>I assent to the resolution</b>	<b>I dissent to the resolution</b>
1	To receive, consider and adopt the Audited Financial Statement including Consolidated Financial Statement comprising the Balance Sheet as at March 31, 2018 and the Statement of Profit of Loss and Cash Flow for the year ended on that date together with Report of Directors and Auditors thereon (Ordinary Resolution)			
2	To declare dividend on the Equity Shares of the company (Ordinary Resolution)			
3	To appoint a Director in Place Mr. Alay Shah who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution).			
<b>SPECIAL BUSINESS:</b>				
4.	Reappointment of Mr. Om Prakash Khanna, as an Independent Director of the Company (Special Resolution)			
5.	Reappointment of Mr. Mukesh D. Patel, as an Independent Director of the Company (Special Resolution)			
6	To approve remuneration to Cost Auditors (Ordinary Resolution)			
Date : 28.05.2018 Place: Vadodara		(Signature of the Shareholder)		



SHILCHAR TECHNOLOGIES LIMITED

CIN: L29308GJ1986PLC008387  
Regd. Office: Bil Road, Bil-391410, District: Vadodara (Gujarat)  
Tel +91 992448207, Fax: 0265-2680611  
website: [www.shilchargroup.com](http://www.shilchargroup.com)  
e-mail: [info@shilchargroup.com](mailto: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 am a member / proxy of the Company.

I hereby record my presence at the 32<sup>nd</sup> Annual general Meeting of the Company to be held at its registered office at 10.00 a.m. on Monday, 13<sup>th</sup> day of August, 2018.

\_\_\_\_\_  
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 2017-18 for the meeting.



**BOARD'S REPORT**

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2018.

**1. FINANCIAL RESULTS:**

		[Rupees in Lacs]
	<b>2017-18</b>	<b>2016-17</b>
Revenue from Operations	8,800.50	11,459.22
Other Income	115.04	341.40
<b>Total Revenue</b>	<b>8,915.53</b>	<b>11,800.62</b>
Less: Expenses before Interest and Depreciation	7,857.75	9,697.16
Less: (a) Interest	125.92	65.80
(b) Depreciation	115.84	136.38
<b>Profit / (Loss) Before Tax</b>	<b>816.03</b>	<b>1,901.28</b>
<b>Less: Tax Expenses</b>		
Current Tax	281.13	688
Deferred Tax	(41.58)	(13.83)
Short / (Excess ) provision of earlier year	(10.09)	(1.48)
<b>Profit after Tax</b>	<b>586.57</b>	<b>1,228.59</b>

**TRANSFER TO RESERVES:**

No amount is transferred to the reserves by the Company.

**2. DIVIDEND:**

Your Directors have recommended a dividend of Rs.2/- per share (i.e.20%) 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.7,626,800/- plus dividend distribution tax of Rs.1,552,664/-.

**3. OPERATIONAL HIGHLIGHTS AND PROSPECTS/ STATEMENT OF AFFAIRS:**

The Company earned operational income of Rs.8800.50 lacs compared to Rs. 11,459.22 lacs for the previous year. The other income is Rs.115.04 lacs compared to Rs.341.40 lacs in the previous year.

The total revenue for the year is Rs. 8,915.53 lacs against Rs. 11,800.62 lacs in the previous year. Profit after tax is Rs.586.57 lacs as compared to previous year figure of Rs. 1,228.59 lacs.

During the period under review, your company was able to export transformers valuing Rs.13.86 crores as compared to previous year Rs.44.36 crores.

The results were not comparable with previous year. This is mainly due to implementation of GST which has impacted on costs and rates. The government had earlier exempted excise duty in case of solar transformers; benefit of such exemption is not available in GST regime. The Government has not reviewed its policy timely in this direction.

The Company has not received any order for windmill transformers since beginning of the financial year, mainly due to Government policies. This has largely impacted on turnover of the Company as compared with previous year.

The Company has concentrated on catering needs of renewable energy sector including solar and wind energy in local market wherein the Company has been enjoying commendable position being one of the top companies in India supplying transformers for renewable energy.



There is no change in nature of business of the Company during the financial year.

The Company has prepared the Financial Statements for the Financial Year 2017-2018 in accordance with Indian Accounting Standards.

**PROSPECTS:**

The current economic scenario shows positive signal of growth in power production sector, cement sector, construction, service sectors etc. The Company also looks forward new business from local private sectors but it largely depends on how the new power projects will take place under the initiatives taken by the Central Government.

**EXPANSION OF CAPACITY AT NEW FACTORY:-**

The Company is investing heavily on new production facility located on Padra – Jambusar highway. The new facility will be state-of-the-art with modern equipments and material handling system. Company is investing approximately Rs.36 crores in this facility which will increase revenue by three folds once utilized 100%. The commencement of production at new facility will start from beginning of financial year 2018-2019.

**INSURANCE:**

All the properties of the Company including buildings, plant & machinery and stocks have been insured.

**4. ACCREDITATION:**

Your Company has taken BIS approval for many ratings during the year.

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. CREDIT FACILITIES**

To fund expansion at new factory and for working operations, the Company has availed working capital loan and Foreign Currency Term loan from Standard Chartered Bank. Further, 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. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year ended on 31/03/2010 was due for remittance on or before 28-07-2017 to the Investor Education and Protection Fund established by the Central Government. Pursuant to the provisions of Section 125 of the Companies Act, 2013, the Company transferred 15,400 shares to IEPF Account of Central Government for which dividend has remain unclaimed/unpaid for consecutive 7 years.

**7. SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2018 was Rs. 3,81,34,000/-. During the year under review the company has not issued any shares or any convertible instruments.

**8. MATERIAL CHANGES**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure I** and is attached to this report.



## **10. RISK MANAGEMENT**

The Company has framed a sound Risk Management Policy to identify and evaluate business risks and opportunities and the same has become integral part of Company's day to day operations. The key business risks identified by the Company are as follows viz. Industry Risk, Management and Operations Risk, Market Risk, Government Policy risk, Liquidity risk, and Systems risk. The Company has in place adequate mitigation plans for the aforesaid risks.

## **11. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As per the provisions of Companies Act, 2013 regarding Corporate Social Responsibility, Company have spent CSR expenditure as per **Annexure- II** attached.

## **12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the furnishing above information is not applicable. Particulars of Investments are mentioned in Schedule 8 of the Financial Statements.

## **13. RELATED PARTY TRANSACTIONS**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure-III**.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [www.shilchargroup.com](http://www.shilchargroup.com) under investors/ policy documents/Related Party Policy link.

## **14. DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Alay Shah, Managing Director shall retire by rotation and he is eligible for re-appointment. There is no change in constitution of the Board during the year under review.

The term of Mr. Om Prakash Khanna and Mr. Mukesh Patel as Independent Directors will expire on 31.03.2019 and are eligible for re-appointment for further term. Accordingly, it has been proposed to make their re-appointment at this Annual General Meeting through Special Resolution for further term of five consecutive years from April 01, 2019 up to March 31, 2024.

### **14.1 BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### **14.2 REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Independent Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report, attached herewith.

### **14.3 MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors.



During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

The required particulars of various Committees are stated in the Corporate Governance Report, attached herewith.

#### **14.4 DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **15. AUDIT COMMITTEE AND VIGIL MECHANISM**

The composition and other particulars of Audit Committee are provided in the Corporate Governance Report, attached herewith.

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.shilchargroup.com](http://www.shilchargroup.com) under investors/policy documents/Vigil Mechanism Policy link.

#### **16. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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
- (c) financial year and of the profit and loss of the company for that period;
- (d) 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 and for preventing and detecting fraud and other irregularities;
- (e) the directors had prepared the annual accounts on a going concern basis; and
- (f) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (g) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **17. ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure-IV** and the same is attached to this Report.

#### **18. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

#### **19. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

No Unsecured loan availed from Directors during the year.

#### **20. AUDITORS**

##### **20.1 STATUTORY AUDITORS**

The Company at 31 Annual General Meeting held on 11.08.2017 made an appointment of M/s. CNK & Associates LLP, Chartered Accountants, Vadodara as Statutory Auditors to hold the office for term of 5 years until the conclusion of the 36th Annual General Meeting. The auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India and have conveyed their eligibility to continue to hold the office for remaining term.





## **20.2 SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S. Kashyap Shah & Co., a Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as “**Annexure-V**”.

## **20.3 INTERNAL AUDITORS**

M/s. C G Pradhan & Co, Chartered Accountants performs the duties of internal auditors of the Company and their report is reviewed by the audit committee from time to time.

## **21. OBSERVATION OF AUDITORS**

There are no qualifications, reservations or adverse remarks made by the Auditors. Observations of auditors are self explanatory and do not call for further information.

## **22. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control/ Internal Finance Control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

## **23. SHARES**

### **a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

### **b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

### **c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

### **d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

## **24. CORPORATE GOVERNANCE:**

As per Regulation 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Section on Corporate Governance on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

## **25. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

## **26. PARTICULARS OF EMPLOYEES:**

Disclosure under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with reference to remuneration of employees in excess of the limits prescribed are hereunder:



Particulars	Name of the Employee: Mr Alay Shah
Designation of the Employee	Managing Director*
Remuneration Received	Rs.1,23,24,042/-
Nature of Employment, whether contractual / otherwise	Permanent
Qualification and experience of the Employee	26 years
Date of commencement of employment	1990
The age of the employee	52 Years
The last employment held by such employee before joining the Company	NA
The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub - rule (2) of Rule 5	NA
Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	NO

The information required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014 as amended, has been furnished herein below.

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/ KMP and Designation	% increase/decrease (-) in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Alay Shah, Managing Director	-37.91%	97.70:1
2.	Mr. Prajesh Purohit, Chief Financial Officer	7.31%	79.71:1
3	Ms. Niki Kandoi Company Secretary (w.e.f. 25.12.2017)	N.A.	46.21:1

Note: Independent Directors are paid only sitting fees and hence not included in the above table.

- ii) The median remuneration of employees of the Company during the financial year was Rs 2.24 lacs.
- iii) In the financial year, there was increase of 33.33 % in the median remuneration of employees;
- iv) There were 105 permanent employees on the rolls of Company as on March 31, 2018
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 9% whereas the decrease in the managerial remuneration for the same financial year was 37.91%.
- vi) Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees. None of the Directors of the Company are in receipt of any commission from the Company.

## 27. COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014 dated 31/12/2014, the activity of your Company falls under Non-regulated sectors and hence, maintenance of cost records as well as the cost audit, as the case may be has been applicable to the Company for the Financial Year 2017-18.



**28. HUMAN RESOURCES:**

During the period under review, the personal and industrial relations with the employees remained cordial in all respects. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company recognizes talent and has judiciously followed the principle of rewarding performance.

**29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company has zero tolerance for sexual harassment at its workplace. The Company has adopted an Anti-harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee are set up to redress complaints received regularly and are monitored by women line supervisors who directly report to the Chairman & Managing Director. All female employees are covered under the policy. There was no complaint received from any employee during the financial year 2017- 18 and hence, no complaint is outstanding as on March 31, 2018 for redressal.

**30. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS/ COURTS**

During the year, no significant and material order was passed by the Regulators or courts.

**31. STATEMENT OF COMPLIANES OF APPLICABLE SECRETARIAL STANDARDS**

The Company has complied with the provisions of Secretarial Standards (I & II) issued by the Institute of Company Secretaries of India and approved by the Central Government under section 118(10) of the Companies Act, 2013.

**32. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

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

Place: Bil, District Vadodara  
Date: 28.05.2018

**JITENDRA SHAH**  
**CHAIRMAN**  
**(DIN- 00257348)**



**Annexure- I to the Director's Report 2017-18**

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31<sup>st</sup> March, 2018

Sr. No.	Particulars		
<b>[A]</b>	<b>Conservation of Energy:</b>		
(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 <b>Form A:</b>		
<b>A.</b>	<b>Power &amp; Fuel Consumption</b>	<b>2017-18</b>	<b>2016-17</b>
1.	<b>Electricity:</b>		
a)	Purchased		
	Unit	666,193	616,629
	Total Amount (in Rs.)	5,170,306	4,590,154
	Rate/ Unit	7.76	7.44
b)	<b>Own Generation:</b>		
i)	Through Diesel Generator		
	Diesel Qty (in Ltr)	1,010	1,529
	No. of Units Generated	3,535	5,352
	Total Amount ( in Rs.)	63,537	92,518
	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



<b>4.</b>	Others:		
<b>a)</b>	Light Diesel Oil:		
	LDO Consumed in Liters	NIL	NIL
	Total Amount	NIL	NIL
	Average Rate/ Liter	NIL	NIL
<b>b)</b>	Wind Generation:		
	Generated Units	374,000	450,624
	Total Amount	2,843,358	3,228,750
	Average Rate/ Unit	7.60	7.16

**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 31.03.2018, the Company spent Rs.35.34 lacs on R & D activities, being 0.40% of its total turnover, as compared to Rs.27.88 lacs, being 0.24% 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	2017-18	2016-17
01.	Earning from Export during the year	150,739,950	432,705,236
02.	Outgo:a) CIF value of Imports	11,975,587	7,801,845
	b) Expenditure in foreign currency	815,367	5,290,173
	c) Traveling	637,774	1,236,637

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

Place: Bil, District Vadodara  
Date: 28.05.2018

**JITENDRA SHAH**  
**CHAIRMAN**  
**(DIN- 00257348)**



**Annexure- II ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program.  
CSR Policy is stated herein below:  
Weblink: CSR Policy is displayed at Company's Website [www.shilchargroup.com](http://www.shilchargroup.com).
2. (i) Composition of the CSR Committee:  
Shri Jitendra Shah Chairman of the Committee  
Shri Alay Shah Member  
Shri Mukeshbhai Patel Member  
Shri O P Khanna Member
3. Average net profit of the Company for last three financial years:  
Average net profit: Rs.1,401.59 lacs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):  
The Company is required to spend Rs.28.03 lacs towards CSR for the FY 2017-18.
5. Details of CSR spend for the financial year 2017-18:
  - a. Total amount spent for the financial year: Rs.19.74 lacs
  - b. Amount unspent, if any: Rs.8.29 lacs
  - c. Manner in which the amount spent during the financial year is detailed below: (Rs. Lacs)

Sr. No.	Projects/ activities	Sector	Location District/ State	Amount outley (budget) project wise	Amount spent on project / program	Cumulative expenditure upto reporting period	Amount Spent Direct / through implementing agency
1	Education	Trust	Mathura	5	5	5	Direct
2	Hospital	Trust	Vadodara	5	5	10	Direct
3	Education	Trust	Mathura	2	2	12	Direct
4	Education	Trust	Vadodara	2.50	2.50	14.50	Direct
5	Misc	Trust		5.25	5.24	19.74	Direct

6. Reasons for not spending: - Company is under process of finding new areas for CSR expenditure. Moreover, in order to meet additional funding requirement for new factory operations, the Company could not expend full CSR amount.
7. We hereby confirm that the implementation and monitoring of CSR policy, is in Compliance with CSR objectives and policy of the Company.

**On behalf of the CSR Committee  
For SHILCHR TECHNOLOGIES LIMITED**

**Jitendra Shah  
Director**

**Mukesh Patel  
Chairman of the Committee**

**Place: Vadodara  
Date: 28<sup>th</sup> May, 2018**



**Annexure-III**

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) Form for disclosure of particulars of contracts/arrangements entered into by the company With related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso is given below:

1. Details of contracts or arrangements or transactions not at arm's length basis: NOT APPLICABLE

Sr. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts/arrangements/transactions	Nil
c)	Duration of the contracts / arrangements/transactions	Nil
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	date(s) of approval by the Board	Nil
g)	Amount paid as advances, if any:	Nil
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

2. Details of material contracts or arrangement or transactions at arm's length basis:

S. N.	Particulars	Details					
a)	Name(s) of the Related Party	Mr. Ashesh Shah	Mrs. Shilpa Shah	Mr. Aashay Alay Shah	Prowess Engineering	Mr. Alay Shah	Mr. Aatman Alay Shah
b)	Nature of relationship	Related to Mr. Alay Shah, MD	Related to Mr. Alay Shah, MD	Related to Mr. Alay Shah, MD	Mr. Alay Shah, MD is holding Directorship	Director	Related to Mr. Alay Shah, MD
c)	Nature of contracts/ arrangements /transactions	Professional Fees	Employment	Employment	Purchase of Tanks	Lease Rent for occupying flat at Mumbai	Employment
d)	Duration of the contracts / arrangements/transactions	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	03.11.2017 to 31.03.2018
e)	Salient terms of the contracts or arrangements or transactions including the value, if any	Professional fees of Rs. 1,25,000/- per month against availing marketing services	Working as Vice President HR. Salary of Rs. 125,000/- per month plus re-imburement of electricity bills.	Working as Manager (Operations). Salary of Rs. 1,00,000/- per month.	Orders worth Rs.209.30 lacs till 08.02.2018 as Mr. Alay. Shah has resigned.	Lease rent of Rs.1,00,000/- per month	Working as Manager (Operations) Salary of Rs. 60,000/- per month.
f)	date(s) of approval by the Board, if any	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
g)	Amount paid as advances, if any:	NIL	NIL	NIL	NIL	NIL	Nil

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

Place: Bil, District Vadodara  
Date: 28.05.2018

**JITENDRA SHAH**  
**CHAIRMAN**  
**DIN: 00257348**



**Form No. MGT-9**

**Annexure IV- EXTRACT OF ANNUAL RETURN**

as on the financial year ended on **31.03.2018**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

<b>I. REGISTRATION AND OTHER DETAILS:</b>			
i)	CIN	:	L29308GJ1986PLC008387
ii)	Registration Date	:	13/01/1986
iii)	Name of the Company	:	Shilchar Technologies Limited
iv)	Category / Sub-Category of the Company	:	Public Company having Share Capital (Limited by Shares)
v)	Address of the Registered office and contact details	:	Bil Road Bil District Baroda Vadodara-391410 Telephone : 0265-2680466 Fax Number : 0265-2680611 Email : info@shilchargroup.com
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. MCS Share Transfer Agent Limited 2nd floor, 10, Aram Apartment, 12, Sampatrao Colony, B/h. Laxmi Hall, Alkapuri, Vadodara-390 007 Tele No: 0265-2314757 Fax No: 0265-2341639 E-mail: mcsltdbaroda@gmail.com

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b>			
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
01.	Manufacturing of Distribution & Power Transformers	8504	100%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :</b>					
[ No. of Companies for which information is being filled = ]					
Sr.NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of share held	Applicable Section
NIL	NIL	NIL	NIL	NIL	2 (87)

<b>IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>									
<b>i) Category-wise Share Holding</b>									
Category of Shareholders	No. of Shares held at the beginning of the year – 01.04.2016				No. of Shares held at the end of the year – 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2,511,075	Nil	2,511,075	65.85	2,511,075	Nil	2,511,075	65.85	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil





c) State govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corpo.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1):-</b>	<b>2,511,075</b>	<b>Nil</b>	<b>2,511,075</b>	<b>65.85</b>	<b>2,511,075</b>	<b>Nil</b>	<b>2,511,075</b>	<b>65.85</b>	<b>Nil</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corpo.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2,511,075</b>	<b>Nil</b>	<b>2,511,075</b>	<b>65.85</b>	<b>2,511,075</b>	<b>Nil</b>	<b>2,511,075</b>	<b>65.85</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(S)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) Foreign Portfolio Investor	Nil	Nil	Nil	Nil	41805	Nil	41805	1.0963	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>41805</b>	<b>Nil</b>	<b>41805</b>	<b>1.0963</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	34,659	500	35,159	0.92	39236	500	39736	1.0420	0.122
ii) Overseas	356,853	Nil	356,853	9.36	289653	Nil	289653	7.5957	1.7643
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 2 Lakh	259304	43800	303104	7.95	293044	40900	333944	8.7571	0.8071



ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	28,040	NIL	28,040	0.74	84837	NIL	84837	2.2247	1.4847
c) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Individual	565,246	1,400	566,646	14.86	487139	1400	488539	12.8111	2.0489
HUF	12523	Nil	12523	0.33	23811	Nil	23811	0.6244	0.2944
Trust & Foundation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2):-</b>	<b>1256625</b>	<b>45700</b>	<b>1302325</b>	<b>34.15</b>	<b>1217720</b>	<b>42800</b>	<b>1260520</b>	<b>33.055</b>	<b>NIL</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>3767700</b>	<b>45700</b>	<b>3813400</b>	<b>100</b>	<b>3770600</b>	<b>42800</b>	<b>3813400</b>	<b>100</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>3,813,400</b>	<b>45700</b>	<b>3,813,400</b>	<b>100.00</b>	<b>3770600</b>	<b>42800</b>	<b>3,813,400</b>	<b>100.00</b>	<b>NIL</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year – 01.04.2017			Shareholding at the end of the year – 31.03.2018			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares	
1.	Alay Jitendra Shah	1,045,416	27.41	NIL	1,045,416	27.41	NIL	No Change
2.	Shilpa Alay Shah	401,970	10.54	NIL	401,970	10.54	NIL	No Change
3.	Aatman Alay Shah	394,382	10.34	NIL	394,382	10.34	NIL	No Change
4.	Aashay Alay Shah	394,382	10.34	NIL	394,382	10.34	NIL	No Change
5.	Alay Jitendra Shah (HUF)	274,825	7.21	NIL	274,825	7.21	NIL	No Change
6.	Jitendra Chimanlal Shah	100	0.00	NIL	100	0.00	NIL	No Change
	<b>Total</b>	<b>2,511,075</b>	<b>65.85</b>		<b>2,511,075</b>	<b>65.85</b>		



**(iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

No Change

**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
<b>For Each of the Top 10</b>					
1.	Shah Family LLC	394,382	10.34	259,004	6.79
2.	Raju Kirti Shah	186,850	4.90	186,850	4.90
3.	Ravi Kirti Shah	186,850	4.90	186,850	4.90
4.	Kirtikant Parshotamdas Shah	186,850	4.90	49,976	1.31
5.	Hayyan Ali Malallah Al Lawati	0	0	41,805	1.0936
6.	Yodhan Sachdev	0	0	32,000	0.8391
7.	Custom Magnetics Inc	30,649	0.80	30,649	0.80
8.	Chirag Surendrabhai Shah	28,040	0.73	28,040	0.73
9.	Keshav Garg	0	0	24797	0.6503
10.	Firoze Jehangir Irani	0	0	15800	0.4143

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Particulars	Shareholding at the end of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Mr. Jitendra Chimanlal Shah	Chairman	100	0.00	100	0.00
2.	Mr. Alay Jitendra Shah	Managing Director	1,045,416	27.41	1,045,416	27.41
3.	Mr. Om Prakash Khanna	Independent Director	NIL	NIL	NIL	NIL
4.	Mr. Mukesh Dahyabhai Patel	Independent Director	NIL	NIL	NIL	NIL
5.	Mr. Zarksis Parabia	Independent Director	NIL	NIL	NIL	NIL
6.	Mrs. Reshma Suresh Patel	Independent Director	NIL	NIL	NIL	NIL
7.	Mr. Prajesh K. Purohit	CFO	NIL	NIL	NIL	NIL
8.	Ms. Mauli Bhatt	Company Secretary	NIL	NIL	NIL	NIL

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total IndebtednessRs.
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount (Working Capital)	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil



Change in Indebtedness during the financial year				
- Addition	Nil	Nil	Nil	Nil
- Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount (Working Capital)	21,165,804	Nil	Nil	21,165,804
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	21,165,804	Nil	Nil	21,165,804

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particular of Remuneration	Mr. Alay J. Shah, Managing Director
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	12,295,242/- 28,800/- NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission- as % of Profit- Others, Specify.....	NIL
5.	Others, please specify	NIL
	<b>Total (A)</b>	<b>12,324,042/-</b>

**B. Remuneration to other Directors:**

**1. Independent Directors**

Sr. No.	Particulars of Remuneration	Name of Director			
		Mr. Mukesh D. Patel	Mr. O.P. Khanna	Ms. Reshmaben Patel	Mr. Zarksis Parabia
1.	Fee for attending Board / Committee Meetings	105,000/-	20,000/-	105,000/-	75,000
2.	Commission	Nil	Nil	Nil	Nil
3.	Others, please specify... Consultancy / Professional Fees	Nil	Nil	Nil	Nil
	<b>Total Amount in Rs.</b>	<b>105,000/-</b>	<b>20,000/-</b>	<b>105,000/-</b>	<b>75,000/-</b>
	<b>Total B (1)</b>				

**2. Other Non-Executive Director**

Sr. No.	Particulars of Remuneration	Name of Director
		Nil
1.	Fee for attending Board / Committee Meetings	Nil
2.	Commission	Nil
3.	Others, please specify... Consultancy / Professional Fees	Nil
	<b>Total B (2)</b>	<b>Nil</b>



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Prajesh Purohit CFO (Amount in Rs.)	Ms. Mauli Bhatt CS (upto 27-07-2017) (Amount in Rs.)	Ms. Niki Kandoi CS (from 25-12-2017) (Amount in Rs.)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	898,944/-	55,097/-	51,742/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission- as % of Profit- Others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	898,944/-	55,097/-	51,742/-

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					

For SHILCHAR TECHNOLOGIES LIMITED

**JITENDRA C. SHAH  
CHAIRMAN  
DIN: 00257348**

Date: 28.05.2018  
Place: Vadodara



Annexure -V  
Secretarial Audit Report

(For the Financial year ended on 31st March, 2018)

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
SHILCHAR TECHNOLOGIES LIMITED  
Bil Road, Village Bil,  
Dist. Vadodara.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by SHILCHAR TECHNOLOGIES LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2017, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. – Not Applicable to the Company during the Audit period;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. - Not Applicable to the Company during the Audit Period;
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable to the Company during the Audit Period;
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable to the Company during the Audit Period;
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2011. - Not Applicable to the Company during the Audit Period;



- H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable to the Company during the Audit Period;
- I. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable clauses of the following: (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above *except the Company transferred shares to IEPF authority on 24.04.2018, i.e. after due date for which dividend remained unclaimed/ unpaid for 7 consecutive years.*

Further, as per representation of management letter, considering its nature of business, process and location, the following Acts are specifically applicable to the Company. There are adequate systems and processes in the company to monitor and ensure compliance.

1. The Water (prevention and control of pollution) Act, 1974 & Rules
2. Air (Prevention & Control of Pollution) Act, 1981 & Rules
3. Environment Protection Act, 1986 & Rules
4. Water Cess Act, 1997 & Rules

**We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. It is mentioned that Secretarial Standards were not mandatory to comply with during the Audit period.

During the Audit period, all the decisions were taken by the Board of Directors or Committee of the Board without any dissent by any of the Directors of the Company as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, The Company has passed Special Resolution under section 196 & 197 of the Act for re-appointment of Shri Alay J. Shah, Managing Director as Managing Director of the Company effective from 01.10.2017.

**For Kashyap Shah & Co.  
Practising Company Secretaries**

**(Kashyap Shah)**  
**Proprietor**  
**FCS No. 7662; CP No. 6672**

**Place: Vadodara**  
**Date: May 28, 2018**

**Note: This report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.**



**Annexure to Secretarial Audit Report**

Date: May 28, 2018

To,  
The Members,  
SHILCHAR TECHNOLOGIES LIMITED  
Bil Road, Village Bil,  
Dist. Vadodara.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Kashyap Shah & Co.  
Practising Company Secretaries**

**(Kashyap Shah)  
Proprietor  
FCS No. 7662; CP No. 6672**

**Place: Vadodara  
Date: May 26, 2018**





**Annexure- VI to the Director's Report 2017-18**

**Management Discussion and Analysis**

**a) Industry Structure and Developments**

The power sector in India has witnessed a transformation with progressive policy-level & effective implementation of directives. These changes have offered significant opportunities and have generated faith enough of various industry stakeholders and market players to invest in India's power segment. Not only on the central front but at the state level too, the policy and regulatory environment have played a vital role in attracting investments. The Rs. 55 bn Indian transformer industry will benefit from the strong demand expected from reforms in the power sector. Improved realizations and higher volumes will largely drive this growth. The transformer market in India has been in a sound state for a few years now. The renewable energy policies of the states are implemented on such similar grounds and have been very much responsible in shaping the RE market of the states. The government initiatives alongside the need of substitution of transformers introduced in the previous years are relied upon to drive development in the Indian transformers market.

**b) Opportunities**

As India aims to scale near double digit economic growth in the future, having said that the quantum of power required to address the cumulative and inclusive peripheral growth has to be in the order of 12-15 GW per annum. Though, thermal power shall still be the leader in terms of addressing the need of the country it is imperative take note of the paradigm shift observed in the generation portfolio mix post 2014. The current government's initiatives has embarked concrete avenues for renewable energy capacities from solar and wind power. Given , all the intermittent challenges like huge Capex requirement , environmental considerations and skilled manpower etc. India's hydro sector looks to gain as well from the fillip observed in the country for clean energy generation.

**c) Threats**

Various tax exemptions/ reliefs granted under previous indirect tax regime have not been extended under GST. Increasing competition from domestic and foreign players could lead to margin contraction due to pricing pressure. Some of the larger global players are already present in India. Since the industry is not very capital intensive, more local & foreign players could enter the market in future.

**d) Segment wise performance**

Power transformer forms the largest chunk of transformer market by value and account for about 60-65% of the total transformer industry. Distribution transformers would account for the remaining 40-45% 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 50,000 KVA. The Company also manufactures solar and windmill transformers for renewable energy sector.

**e) Outlook**

In the present scenario, Your company has concentrated on updating its technical capabilities to develop transformers of latest technology and design and in turn strengthen its market share and improvise its profitability. However, 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.

**f) Risks and concerns**

The industry faces risk of uncertainty in tax policy of the Governments which results in meager investments in the sector of solar energy, wind energy, green energy projects and green transformers.

**g) Internal control system**

The Company has implemented internal control system at floor to shop level and we believe that Internal controls and systems implemented are adequate. These are also reviewed periodically by the Audit Committee and efforts are made to improve further, wherever possible.



**h) Discussion on financial performance with respect to operational performance.**

The Company earned operational income of Rs 8,800.53 lacs compared to Rs.11,459.22 lacs for the previous year. The other income is Rs.115.04 lacs compared to Rs.341.40 lacs in the previous year. The total revenue for the year is Rs.8,915.53 lacs against Rs.11,800.62 lacs in the previous year. Profit after tax is Rs.586.57 lacs as compared to previous year figure of Rs.1,228.59 lacs. The Company has concentrated on catering needs of renewable energy sector including solar and wind energy in local market wherein the Company has been enjoying commendable position being one of the top companies in India supplying transformers for renewable energy.

**g) Material developments in Human resources / Industrial Relations front, including number of people Employed.**

Your Company continued its activities during the year in a cordial atmosphere with utmost co-operation amongst employees and the management. As of the date of the report, the total number of the employees of Company are 105. 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 undertakes various CSR activities before it became mandatory for the upliftment of society, betterment of human being, and the Company believes growth of all stakeholders vis a vis growth of the Company.



**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:

- Ø Clear statements of Board Processes and Board Executive linkage.
- Ø 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.
- Ø 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, accord approvals and reviews strategies 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 & Category of Directors**

Category	Number of Directors	%
Non-Executive and Independent Directors	04	66.67
Other Non-Executive Directors including the Chairman	01	16.67
Executive Director (Managing Director)	01	16.66
Total	06	100.00

As of the year ended 31<sup>st</sup> March, 2018, the Board of Directors had 6 (six) members that includes one woman director. The Board comprises of 4 (four) Non-Executive Directors and Mr. Alay Shah, Managing Director, being the only Whole time/Executive Director. The Chairman of the Board is Non Executive & Non-Independent Director.

The Non-Executive Directors included Mr. O. P. Khanna, Mr. Mukesh D. Patel, Mr. Zarksis J Parabia and Mrs. Reshma Patel who are Independent Directors and Mr. Jitendra C. Shah is Non-Independent Directors.

Accordingly, the numbers of independent directors or numbers of non-executive directors are in agreement with the numbers stipulated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(b) Number of Board Meetings held, dates on which held and Attendance of each Director at the Board Meetings and the last Annual General Meeting**

**Board Meetings held during the Year: 04**



Dates on which Board Meetings were held	Total Strength of Board	No. of Directors Present
06-05-2017	06	05
11-08-2017	06	04
14-11-2017	06	04
13-02-2018	06	05

**Attendance of Directors at Board Meeting and Annual General Meeting:**

Name of Director	Attendance at Board Meetings held on					Attendance at Annual General Meeting held on
	06-05-2017	11-08-2017	14-11-2017	13-02-2018	% of Attendance	
Mr. Jitendra C. Shah	√	Leave of Absence	Leave of Absence	√	50	Leave of Absence
Mr. Alay J. Shah	√	√	√	√	100	√
Mr. Mukesh D. Patel	√	√	√	√	100	√
Mr. O. P. Khanna	√	Leave of Absence	Leave of Absence	Leave of Absence	25	No
Ms. Reshma Patel	√	√	√	√	100	√
Mr. Zarksis J Parabia	Leave of Absence	√	√	√	75	√

**(c) Number of other Boards or Board Committees in which the Director is a Director/Member/Chairperson**

Name of the Director(s)	Number of other Companies in which Director (including Alternate/Nominee Director)	Number of Committees (other than Shilchar Technologies Limited in which Chairman / Member	
		Chairman	Member
Mr. Jitendra C Shah Chairman	01	NIL	NIL
Mr. Alay Shah Managing Director	02	NIL	NIL
Mr. Mukesh Patel Independent Director	04	03	03
Mr. O. P. Khanna Independent Director	03	NIL	NIL
Mr. Zarksis J. Parabia Independent Director	04	NIL	NIL
Mrs. Reshma Patel Independent Director	02	NIL	NIL



**(d) Directors Profile**

A brief profile of all the Directors on the Board is given herein below:

**Mr. Jitendra C. Shah**

Mr. Jitendra C. Shah, aged 81 years, is the founder of Shilchar Group. He is M.A. (Economics) from M S University of Baroda. He is having a wide business experience and industrialist. He is rendering his valuable service and vision to the Group since last many of the years. He holds 100 equity shares of the Company.

**Mr. Alay Shah**

Mr. Alay Shah, aged 52 years, 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 23 years of experience in the various areas of business including production, finance, marketing and administration. He is also a Director at AJS Shah Enterprise Private Limited 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.

**Mr. Om Prakash P. Khanna**

Mr. Om Prakash P. Khanna, aged 80 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 member 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. Mr. Mr. O. P. Khanna does not hold any shares in the Company.

**Mr. Mukesh D. Patel :**

Mr. Mukesh D. Patel, aged 69 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. Mr. Mukesh D. Patel is Chairman of Shareholders and Investors' Grievance Committee and Audit Committee of the Board, respectively.

Besides, Mr. Mukesh D. Patel is Director on the Board of Punjab Chemicals and Crops Protection Limited, Banco Products (India) Limited, Abhigam Consultants Pvt. Ltd. and Universal Esters Limited. Shri Mukesh D. Patel does not hold any shares in the Company.

**Mrs. Reshma Patel :**

Ms. Reshma Patel, aged 57 years, educated in Print Production Management and Emerging Technologies from the Graphic Arts Technical Foundation, Pittsburgh, USA. She is presently working as the Chief Operating Officer at Light Publications since 1st October 2011. She is a member in Audit Committee, Shareholders and Investors' Grievance Committee and Nomination & Remuneration Committee. She is well averse of nitty-gritty of corporate matters. She does not hold any shares in the Company.

**Mr.Zarksis Parabia :**

Mr. Zarksis J Parabia, aged 44 years, is a Mechanical Engineer. He has versatile and rich experience in the field of Transportation of Super Heavy Over Dimensioned equipments, material management and Erection of Power Transformers with PAN India presence since last many years. He is having rich experience and business acumen in handling various facets of Corporate World, India and abroad. Mr. Zarksis Parabia is Chairman of Remuneration Committee and Member of Audit Committee and Shareholders and Investors' Grievance Committee of the Board, respectively. Shri Zarksis Parabia does not hold any shares in the Company.

**3. Audit Committee**

**(a) Terms of Reference:**

The terms of reference of this Committee include matters mandated in the Listing Agreement and the Companies Act, 2013, respectively. The Audit Committee reviews the audit reports submitted by the Internal Auditors, Cost Auditors and Statutory Auditors and to meet them to discuss their findings, suggestions and other related matters, financial results, effectiveness of internal audit processes, Company's risk management strategy and Company's established systems and procedures. The Audit Committee also reviews the functioning of the Whistle Blower mechanism. 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.



**(b) The Composition of Audit Committee as at 31.03.2018 and details of the Members participation at the Meetings of the Committee are as under:**

As on 31<sup>st</sup> March 2018, the Audit Committee comprised of 3 Non-Executive and Independent Directors viz. Mr. Mukesh Patel, Mrs. Reshma Patel and Mr. Zarksis J 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.

Four meetings were held during the financial year 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018. The attendance of each Member of the Committee is given below:

Name of Director	Category	Attendance at Audit Committee Meetings held on				% of
		06-05-2017	11-08-2017	14-11-2017	13-02-2018	
Mr. Mukesh D. Patel	Independent Director	√	√	√	√	100
Ms. Reshma Patel	Independent Director	√	√	√	√	100
Mr. Zarksis J Parabia	Independent Director	√	√	√	√	100

**4. Nomination and Remuneration Committee**

**(a) Terms of Reference**

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

**(b) The Composition of the Nomination and Remuneration Committee as at 31.03.2018 and details of the Members participation at the Meetings of the Committee are as under:**

As on 31<sup>st</sup> March, 2018, the Committee comprised of 3 Non-Executive Directors viz. Ms. Reshma Patel and Mr. Zarksis J Parabia, being Independent Directors and Mr. Jitendra C. Shah, being non-executive Chairman of the Board and Promoter Director. Mr. Zarksis J Parabia is Chairman of the Committee.

Name of Director	Category	Attendance at Nomination and Remuneration Committee Meetings held on		% of Attendance
		06-05-2017	14-11-2017	
Ms. Reshma Patel	Independent Director	√	√	100
Mr. Jitendra Shah	Promoter Director	√	Leave of absence	50
Mr. Zarksis J Parabia	Independent Director	√	√	100

**(C) Remuneration & Board Diversity Policy**

**Sitting Fees**

The Company pays sitting fees of Rs.15,000/- for attending the meeting of the Board of Directors and Rs.5000/- for attending the meeting of the Committee of Directors to Non-Executive Director/s.

**Managing and Executive Directors**

The Company pays remuneration to its Managing Director by way of salary, allowances and perquisites as per the Company's rules. The salary and other perquisites are approved by the Board of Directors on recommendation of the



Nomination and Remuneration Committee and the salary is paid within the overall limits approved by the members of the Company. The Board on the recommendation of Nomination and Remuneration Committee approves the annual increment effective 1<sup>st</sup> April each year.

The Remuneration paid to the Directors is as under:

Sr. No.	Name of Director	Basic Salary Rs.	Perquisites & Allowances	Sitting Fees Rs.	Bonus Rs.	Professional Fees Rs.	Total Rs.
1.	Shri Jitendra C. Shah	NIL	NIL	NIL	NIL	NIL	NIL
2.	Shri Alay J. Shah	12,288,242	28,800	NIL	7,000	NIL	12,324,042
3.	Shri O. P. Khanna	NIL	NIL	20,000	NIL	NIL	20,000
4.	Shri Mukesh D. Patel	NIL	NIL	105,000	NIL	NIL	105,000
5.	Smt. Reshma Patel	NIL	NIL	105,000	NIL	NIL	105,000
6.	Shri Zarksis J Parabia	NIL	NIL	75,000	NIL	NIL	75,000

No sitting fee is paid to Executive Directors.

Remuneration paid to Executive Directors includes Company's contribution to Provident Fund and Pension Fund.

#### 1. Introduction: Remuneration Policy

The remuneration policy for members of the Board of Directors and Executive Management of Shilchar Technologies Limited (herein after referred to as "Shilchar") reflects the interest of the shareholders and the Company taking into consideration any specific matters, including the assignments, the responsibilities undertaken and also be competitive with the external market. The Company recognizes the benefit of a Board that possesses the right balance of skills, knowledge, experience, expertise and diversity of perspective.

2. **The Nomination and Remuneration Committee** shall formulate eligible criteria for nomination and selection of Directors and recommended remuneration policy for the directors.

3. **Appointment and Qualification of the Directors and the Composition of the Board shall be governed by the Nomination and Remuneration Committee.**

In recognition of the fact that the selection of qualified directors is complex and crucial to the long-term success of the Company, the Nomination and Compensation Committee has established the following guidelines for the identification and evaluation of candidates for the membership on the Company's Board of Directors.

Candidates should be distinguished individuals who are prominent in their fields or otherwise possess exemplary qualities that will enable them to effectively function as directors of the Company. While the Nomination and Compensation Committee may not believe it appropriate at this to establish any specific minimum qualification for candidates, the Committee shall focus on the following qualities in identifying and evaluating candidates for Board membership.

#### Board Membership Criteria

- Educational background, business experience and skills
- Character, reputation of highest ethical standards and personal integrity
- Practical wisdom, Sound Business Judgment and strong sense of professionalism
- Independence and objectivity
- Diversity and multi-cultural experience and understanding
- Strong understanding of marketing, finance and other disciplines relevant to the success of business.
- Willingness to commit, as well as have sufficient time to discharge his or her duties to the Board.
- Ability to consider and understand all the constituencies of the Company, which includes stockholders, employees, customers, governmental units, creditors and the general public.



- Any other factors that the Nomination and Compensation Committee may consider to be relevant and appropriate for the appointment.

Recognizing that the overall composition of the Board is essential to the effective functioning of the Board the Nomination and Compensation Committee shall make appointment in the context of the existing composition of the Board so as to achieve an appropriate mix of backgrounds, skills, diversity and qualities. In making its determinations, the Nomination and Compensation Committee shall take into account all applicable legal, regulatory and stock exchange requirements concerning the composition of the Board and its committees.

#### **4. Evaluation Criteria:**

The Board constantly evaluates the contribution of the members and re-appoints them for tenure as per company requirement based on their performance linked to strategic objectives of the Company. Evaluation criteria may be membership accountability, governance, board operations, legal responsibilities, financial overview, board management relations and personal leadership.

#### **5. Remuneration to the Board of Directors and Executive Management:**

The remuneration of the Board of Directors and Executive Management is set by the Nomination and Remuneration Committee under the delegated powers of Board.

Efforts are made to ensure that the remuneration of the Managing Director / Wholetime Director matches the level in comparable companies, whilst also taking into consideration board members' required competencies, qualification, efforts and scope of the board work, including the number of meetings.

Attracting and retaining top talent is the key objective of our approach to remuneration. This is done keeping in mind that the competitive and fair awards are linked to the key deliverable and also aligned with the market practices and stakeholders' expectations.

Accordingly, the Board of Directors believes that a combination of fixed and performance based pay to the Executive Management helps ensure the Company can attract, motive and retain key employees while reflecting the short and long term performance objectives and goal of the Company.

#### **7. Linkage to Performance:**

The relationship of remuneration to performance is clear and ties the larger part of remuneration to long-term performance. The level varies according to performance relative to measure linked directly to strategic priorities.

#### **8. Policy on Diversity:**

Shilchar is committed to the highest standards of corporate governance, transparency and accountability. Hence, we strive to leverage Diversity to contribute to the achievement of Shilchar's strategic objectives.

Accordingly, the Board aims to attract and maintain a Board which has an appropriate mix of Diversity, education, skills, knowledge, experience, expertise and cultural background. The Shilchar Board recognizes the value of appointment of individual who bring a variety of diverse opinions, perspectives, skills, experience, background and orientations to its business decision and its decision-making processes.

An overriding principle is that all appointment to the Board will be based upon the merit and suitability of the candidate. Taking this in to account, appointment of female members to the Board is also to add value of a more diverse board.

#### **9. Review of the Board Diversity Policy:**

The Nomination and Remuneration committee shall review this policy, as appropriate, to ensure the effectiveness of this policy. The nomination committee shall discuss any revision that may be required and recommend any such revisions to the Board for consideration any approval.

#### **10. Disclosure and Publication:**

A summary of this policy shall be disclosed in the Corporate Governance Report of the Annual Report of Company.

The aforesaid Policy has been re-affirmed and adopted by the Board of Directors in their Meeting held on 28/05/2018.





**5. Meeting of Independent Directors:**

The Company has complied with the definition of Independence as per Listing Regulations and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

**Training of Independent Directors:**

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture and they are also introduced to Company's organization structure, business, constitution, board procedures, major risks and management strategy. The appointment letters of Independent Directors has been placed on the Company's website at [www.shilchargroup.com](http://www.shilchargroup.com) under investors/ policy documents / independent directors' letters link.

**Performance Evaluation of non-executive and Independent Directors**

The Board has done evaluating the performance of Non-executive and Independent Directors for the financial year ended on 31/03/2018. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

**Separate Meeting of the Independent Directors:**

A meeting of the Independent Directors was held on 13/02/2018 during the current financial year without the attendance of Non-Independent Directors and members of Management for:

- I) reviewing the performance of non-independent directors and the Board as a whole;
- II) Reviewing the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- III) Assessing the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Independent Directors viz., Mr. Mukesh D. Patel, Ms. Reshmaben Patel and Mr. Zarksis Parabia were present at the above meeting.

**6. Stakeholder's Relationship Committee**

As on 31<sup>st</sup> March, 2018, the Stakeholder's Relationship Committee comprised of Mr. Mukesh D. Patel Chairman, Mrs. Reshmaben Patel, Mr. Zarksis J Parabia and Mr. Alay Shah. Ms. Mauli Bhatt/Ms. Niki Kandoi, Compliance Officer is the Secretary of the Committee.

**(a) Terms of Reference**

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholder's grievances.

**(b) The Composition of the Stakeholder's Relationship Committee as at 31.03.2018 and details of the Members participation at the Meetings of the Committee are as under:**

Name of Director	Category	Attendance at Stakeholder's Relationship Committee held on				% of Attendance
		06-05-2017	11-08-2017	14-11-2017	13-02-2018	
Mr. Mukesh D. Patel	Independent Director	√	√	√	√	100
Mr. Zarksis Parabia	Independent Director	√	√	√	√	100
Mrs. Reshmaben Patel	Independent Director	√	√	√	√	100



**(c) Shareholder's Services:**

Sr. No.	Nature of Complaints	2017-18		2016-17	
		Received	Answered	Received	Answered
1.	Non receipt of Shares lodged for Demat	NIL	NIL	NIL	NIL
2.	Non receipt of Dividend Warrants	NIL	NIL	NIL	NIL
3.	Others	NIL	NIL	NIL	NIL

**7. General Body Meetings:**

Location and time for the last three AGMs:

Year	Date	Venue	Time	Special Resolution(s)
2014-15	14/08/2015	Shilchar Technologies Limited Bil Road, Bil 391 410 District Vadodara.	10.00 a.m.	Alteration of Articles of Association
2015-16	13/08/2016	Shilchar Technologies Limited Bil Road, Bil 391 410 District Vadodara.	10.00 a.m.	Appointment of Mr. Zarksis Parabia
2016-17	11/08/2017	Shilchar Technologies Limited Bil Road, Bil 391 410 District Vadodara.	10.00 a.m.	Re-appointment of Mr. Jitendra Shah Appointment of M/s.CNK & Associates LLP., Chartered Accountants, Vadodara as Statutory Auditor Re-appointment of Mr. Alay J. Shah as Managing Director

No Postal Ballot was conducted during the year.  
No Extraordinary General Meetings held during the year.

**8. Disclosure**

**(i) Related party Transactions**

Sr. No.	Particulars of Party	Relationship	Nature of Transactions	Amount( Rs. in Lacs)	
				2017-18	2016-17
1.	Mr. Ashesh Shah	Related to Mr. Alay Shah, MD	Professional Fees	Rs.15 lacs	Rs.15 lacs
2.	Mrs. Shilpa Shah	Related to Mr. Alay Shah, MD	Employment	Rs.16.97 lacs	Rs.17.25 lacs
3.	Mr. Aashay Alay Shah	Related to Mr. Alay Shah, MD	Employment	Rs.8.36 lacs	Rs.7.13 lacs
4.	Prowess Engineering Private Limited	Mr. Alay Shah, MD is holding Directorship	Purchase of Tanks	Rs.209.30 lacs	Rs.345.58 lacs
5.	Mr. Aatman Alay Shah	Related to Mr. Alay Shah, MD	Employment	Rs.6.76 lacs	Rs.2.76 lacs

**The Company does not have any related party transactions, which may have potential conflict with its interest at large.**

Sr. No.	Name of Director	Relationship with other Directors
1.	Mr. Jitendra C. Shah	Related to Mr. Alay J. Shah
2.	Mr. Alay J. Shah	Related to Mr. Jitendra C. Shah
3.	Mr. Mukesh D. Patel	None
4.	Mr. O. P. Khanna	None
5.	Ms. Reshma Patel	None
6.	Mr. Zarksis Parabia	None



In terms of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company is complying with the relevant Accounting Standards with reference to Related Party Disclosures. Further, the Company does not have any holding/ subsidiary and associate company and hence disclosure requirement under Para A.2 of Schedule V of the Regulations are not applicable. Policy dealing with related party transaction can be accessed at [www.shilchargroup.com](http://www.shilchargroup.com).

**(ii) Cases of Non-Compliance:**

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

**(III) Whistle Blower Policy / Vigil Mechanism:**

The Company has designed Whistle Blower Policy / Vigil Mechanism to enable any person dealing with the Company to raise the alarm to the Audit Committee of the Company if he has reliable information about a malpractice, unethical practice, impropriety, abuse or financial wrongdoing. The disclosure will be thoroughly investigated by the Committee. The members of the Committee may seek information from any sources inside and outside the organization to investigate this, as deemed fit.

**9. 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
(c)	Any website, where displayed	:	<a href="http://www.shilchargroup.com">www.shilchargroup.com</a>
(d)	Whether it also displays official news releases	:	Yes
(e)	The presentations made to institutional investors or to the analysts	:	NIL

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The Company is in compliance with the SCORES.

**10. General Shareholder information**

(a)	32 <sup>nd</sup> AGM Date, Time and Venue	:	Monday 13 <sup>th</sup> August, 2018 at 10.00 a.m. at Shilchar Technologies Limited, Bil Road, Bil, District Vadodara - 391 410.
(b)	Financial calendar	:	i. April 2018 to March 2019
		:	ii. First Quarter 2018 Results – on or before 15 <sup>th</sup> August, 2018
		:	iii. Second Quarter/ Half yearly Results 2018 – on or before 15 <sup>th</sup> November, 2018
		:	iv. Third Quarter 2018 Results – on or before 15 <sup>th</sup> February, 2019
		:	v. Audited Results for the Fourth Quarter/ Year ending 31 <sup>st</sup> March 2019, - on or before 31 <sup>st</sup> May, 2019.
(c)	Date of Book closure	:	06/08/2018 to 13/08/2018 (both days inclusive)
(d)	Dividend Payment date	:	On or after 13/08/2018 , if declared at Annual General Meeting on 13/08/2018
(e)	Listing on Stock Exchange.	:	The Company has paid Listing Fees for the period 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March 2019 to BSE Limited.
(f)	(i) Stock Code – Physical	:	531201
	(ii) Demat ISIN Number for NSDL & CDSL	:	INE 024F01011



(g) Market price Date : High, Low during each month in last Financial year	:	<p>The High / Low market price of the shares during the year 2017-18 at the Stock Exchange, Mumbai were as under.</p> <table border="1" data-bbox="683 338 1422 835"> <thead> <tr> <th>Month</th> <th>High</th> <th>Low</th> <th>Close</th> </tr> </thead> <tbody> <tr><td>April, 2017</td><td>510.00</td><td>411.5</td><td>450</td></tr> <tr><td>May, 2017</td><td>495.00</td><td>426</td><td>449.55</td></tr> <tr><td>June, 2017</td><td>500.00</td><td>440</td><td>458.9</td></tr> <tr><td>July, 2017</td><td>488.9</td><td>444</td><td>450.45</td></tr> <tr><td>August, 2017</td><td>480</td><td>406.25</td><td>416.9</td></tr> <tr><td>September, 2017</td><td>429.8</td><td>403.95</td><td>411.05</td></tr> <tr><td>October, 2017</td><td>465</td><td>404</td><td>434.7</td></tr> <tr><td>November, 2017</td><td>455</td><td>365</td><td>407.55</td></tr> <tr><td>December, 2017</td><td>439</td><td>385</td><td>430.95</td></tr> <tr><td>January, 2018</td><td>468.8</td><td>415</td><td>430</td></tr> <tr><td>February, 2018</td><td>437.8</td><td>360</td><td>394</td></tr> <tr><td>March, 2018</td><td>400</td><td>352</td><td>386.5</td></tr> </tbody> </table>	Month	High	Low	Close	April, 2017	510.00	411.5	450	May, 2017	495.00	426	449.55	June, 2017	500.00	440	458.9	July, 2017	488.9	444	450.45	August, 2017	480	406.25	416.9	September, 2017	429.8	403.95	411.05	October, 2017	465	404	434.7	November, 2017	455	365	407.55	December, 2017	439	385	430.95	January, 2018	468.8	415	430	February, 2018	437.8	360	394	March, 2018	400	352	386.5
Month	High	Low	Close																																																			
April, 2017	510.00	411.5	450																																																			
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(h) Stock Performance in comparison to Broad-based indices BSE Sensex.	:	N.A.																																																				
(i) Registrar and Transfer Agents	:	<p>M/s. MCS Share Transfer Agent Limited CIN: U67120WB2011PLC165872 Administrative Office: 02<sup>nd</sup> Floor, 10, Aaram Apartment 12 Samptrao Colony, Alkapuri, Vadodara-390 007, Gujarat Ph.Nos.231 4757, 2350490Email:mcsltbaroda@gmail.com</p>																																																				
(j) Share Transfer System	:	<p>All the transfer and transmission requests are processed on fortnightly basis by MCS Share Transfer Agent Limited, being the Registrar &amp; 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.</p>																																																				

**DISTRIBUTION OF HOLDINGS AS ON 31.03.2018**

Shareholders			Nos. of Shares	
Number of Shares held	Holders	% To Total	Number	%
Up to 500	1,282	88.9660	146281	3.8364
501 to 1000	73	5.0659	52009	1.3638
1001 to 2000	34	2.3595	48934	1.2832
2001 to 3000	11	0.7634	26790	0.7025
3001 to 4000	7	0.4858	24076	0.6314
4001 to 5000	6	0.4164	27548	0.7224
5001 to 10000	8	0.5552	58364	1.5305
10001 to 50000	12	0.8328	285719	7.4925
50001 to 100000	2	0.1388	373700	9.7997
AND ABOVE	6	0.4164	2769979	72.6380
<b>Total</b>	<b>1,441</b>	<b>100.00</b>	<b>3,813,400</b>	<b>100.00</b>



(l) Dematerialization of Shares and liquidity	:	98.88% of the paid-up capital has been dematerialized as on 31 <sup>st</sup> March, 2018.
(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) Commodity price risk or foreign exchange risk and hedging activities	:	N.A
(o) Plant Locations	:	The Company's plants are located at Bill Road Village: Bil 391 410 Vadodara .
(p) Address for correspondence	:	<ul style="list-style-type: none"> <li>i. Shareholders correspondence should be addressed to either at Registered Office of the Company or at the address of RTA M/s. MCS Share Transfer Agent Limited given as above :</li> <li>ii. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.</li> </ul>

11. The Company has adopted and been complying with the discretionary requirements as per Regulation 27(1) and Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has displayed all applicable policies at its website at [www.shilchargroup.com](http://www.shilchargroup.com).
12. The Company has been complying with the corporate governance requirements specified in Regulation 17 to 27 of the Regulations and Website disclosures as envisaged in clause (b) to (i) of Regulation 46(2) of the Regulations.
13. Familiarization programme for independent Directors: The Chairman and secretary of the Company used to familiarize the independent Directors of the Company, their roles, rights, responsibilities, nature of industry, compliance procedures & checkpoints etc., from time to time.

**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, Mr. Alay J. Shah, Managing Director and Mr. Prajesh Purohit, Chief Financial Officer has jointly furnished the necessary Certificate to the Board of Directors with respect to financial statements and cash flow statements for the year ended 31<sup>st</sup> March, 2018.

**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: 28.05.2018

**ALAY SHAH  
MANAGING DIRECTOR  
DIN: 00263538**



**Independent Auditors Certificate on Certificate on Corporate Governance**

**To  
The Members,  
Shilchar Technologies Limited  
Report on the Financial Statements**

1. We, **C N K & Associates, LLP** Chartered Accountants, the Statutory Auditors of **Shilchar Technologies Limited** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

**Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

**Auditors' Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ( the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2018.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For C N K & Associates, LLP  
Chartered Accountants  
FRN No. : 101961W/W-100036**

**Alok Shah  
Partner  
Membership No. 42005**

**Place: Vadodara  
Date: 28<sup>th</sup> May, 2018**



**INDEPENDENT AUDITOR'S REPORT  
To the Members of SHILCHAR TECHNOLOGIES LIMITED**

**Report on the Indian Accounting Standard (Ind AS) Financial Statements**

We have audited the accompanying Ind AS Financial statements of **SHILCHAR TECHNOLOGIES LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements is free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rule issued thereunder;
  - (e) on the basis of the written representations received from the directors of the company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) In our opinion, with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements-Refer Note 37 to the Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

**For C N K & Associates LLP**

Chartered Accountants

Firm Registration No. 101961W/W-100036

**Alok Shah**

Partner

Membership No.042005

Place: Vadodara

Date:28<sup>th</sup> May, 2018





**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Ind AS Financial Statements for the year ended March 31, 2018.**

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments;
- (b) As informed to us, the company has regular programme of physical verification of its fixed assets by which the fixed assets are verified in phased manner over a period of time. 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that, the title deeds of immovable properties are held in the name of the Company;
- II. As per the information and explanations given to us, Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification;
- III. According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to Companies, Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the requirements of sub-clause (a), (b) and (c) of clause (iii) are not applicable to the Company.
- IV. In our opinion and according to the information provided to us, there are no loans to directors including entities in which they are interested in respect of which provision of section 185 are applicable and hence not commented upon. Further, in our opinion and according to information and explanation given to us, provision of section 186 in respect of loans and advances given and investment made have been complied with by the Company. There are no guarantees and securities given in respect of which provision of section 186 of the Act are applicable and hence not commented upon;
- V. In our opinion and as explained to us, the Company has not accepted any deposits during the year and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the company;
- VI. We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- VII. According to the information and explanations given to us, in respect of statutory dues:
  - a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues and there are no undisputed statutory dues outstanding as at 31st March 2018, for a period of more than six months from the date they became payable;
  - b) According to the information and explanations given to us and the records examined by us, there are following disputed dues of sales tax, that have not been deposited on account of dispute;

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amounts (Rs.)</b>	<b>Period to which the amounts relates</b>	<b>Forum where dispute is pending</b>
Central Sales Tax Act	Central Sales Tax (Including interest and penalty thereon)	25,65,945	2010-11	Tribunal



- VIII. Based on our audit procedure and according to the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks, Government or dues to debenture holders;
- IX. According to the information and explanations given to us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loan were obtained during the year;
- X. During the course of our examination of the books of account and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the company noticed or reported during the year, nor we have been informed of any such case by the management;
- XI. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;
- XII. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi company. Accordingly, this clause of the Order is not applicable;
- XIII. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards;
- XIV. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- XV. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence, the provisions of Section 192 of the Act are not applicable;
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For C N K & Associates LLP**  
Chartered Accountants  
Firm Registration No. 101961W/W-100036

**Alok Shah**  
Partner  
Membership No.042005

Place: Vadodara  
Date:28<sup>th</sup> May, 2018



**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **SHILCHAR TECHNOLOGIES LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of internal financial controls with reference to financial statements of the company that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements of the company and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **C N K & Associates LLP**

Chartered Accountants

Firm Registration No. 101961W/W-100036

**Alok Shah**

Partner

Membership No.042005

Place: Vadodara

Date: 28<sup>th</sup> May, 2018



**BALANCE SHEET AS AT 31st MARCH, 2018**

Particulars	NOTE	As At March 31, 2018 Amount Rs.	As At March 31, 2017 Amount Rs.	As At April 01, 2016 Amount Rs.
<b>ASSETS</b>				
(1) <b>Non current Assets</b>				
(a) Property, Plant and Equipment	3	1,605.37	1,682.59	1,777.54
(b) Capital work-in-progress	3	2,192.85	565.72	-
(c) Intangible Assets	3	21.33	14.56	5.13
(d) <u>Financial Assets</u>				
(i) Investments	4	70.07	70.07	70.07
(ii) Loans	5	34.50	12.63	16.51
(e) Other Non Current Assets	6	105.40	25.40	-
(2) <b>Current assets</b>				
(a) Inventories	7	1,142.78	792.88	853.23
(b) <u>Financial Assets</u>				
(i) Investments	8	533.08	1,159.84	200.12
(ii) Trade receivables	9	2,747.13	3,210.93	2,884.76
(iii) Cash and cash equivalents	10	72.32	15.35	31.09
(iv) Bank Balances other than (iii) above	11	217.18	260.51	295.28
(v) Loans	12	4.30	4.30	4.30
(vi) Other financial assets	13	30.95	49.98	44.01
(c) Other current assets	14	801.55	549.06	328.44
<b>Total Assets</b>		<b>9,578.79</b>	<b>8,413.83</b>	<b>6,510.47</b>
<b>EQUITY AND LIABILITIES</b>				
(1) <b>Equity</b>				
(a) Equity Share capital	15	381.34	381.34	381.34
(b) Other Equity	16	5,023.19	4,600.97	3,395.91
<b>Total equity attributable to equity holders of the Company</b>		<b>5,404.53</b>	<b>4,982.31</b>	<b>3,777.25</b>
<b>LIABILITIES</b>				
(2) <b>Non-Current liabilities</b>				
(a) <u>Financial Liabilities</u>				
(i) Borrowings	17	1,040.12	-	-
(b) Provisions	18	68.34	51.65	38.96
(c) Deferred Tax Liability (Net)	19	101.79	144.26	158.39
(3) <b>Current liabilities</b>				
(a) <u>Financial Liabilities</u>				
(i) Borrowings	20	211.66	407.97	-
(ii) Trade payables	21	2,197.19	2,267.93	2,155.75
(iii) Other financial liabilities	22	80.60	6.00	5.67
(b) Other current liabilities	23	466.84	402.34	294.56
(c) Provisions	24	4.03	4.97	2.37
(d) Current Tax Liabilities (Net)	25	3.70	146.41	77.53
<b>Total Liabilities</b>		<b>4,174.26</b>	<b>3,431.52</b>	<b>2,733.22</b>
<b>Total Equity and Liabilities</b>		<b>9,578.79</b>	<b>8,413.83</b>	<b>6,510.47</b>

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For C N K & Associates LLP  
CHARTERED ACCOUNTANTS  
Firm Registration No.101961W/W-100036

Alok Shah  
Partner  
Membership No. 042005

Place: Vadodara  
Date: 28th May 2018

For and on behalf of Board of Directors of  
Shilchar Technologies Limited

Alay Shah  
Managing Director  
DIN - 00263538

Jitendra Shah  
Chairman  
DIN - 00257348

Niki Kandoi  
Company Secretary

Prajesh Purohit  
Chief Financial officer

Place: Vadodara  
Date: 28th May 2018



**STATEMENT OF PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31st MARCH 2018**

Particulars	NOTES	For the year ended March 31, 2018 Amount Rs.	For the year ended March 31, 2017 Amount Rs.
Revenue From Operations	26	8,800.50	11,459.22
Other Income	27	115.04	341.40
<b>Total Income</b>		<b>8,915.53</b>	<b>11,800.62</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	6,503.27	7,849.11
Changes in Inventories of Finished goods, Stock-in-Trade and work-in-progress	29	(158.28)	(58.34)
Excise duty on sale of goods		47.07	540.46
Employee benefits expense	30	452.86	442.84
Finance costs	31	125.92	65.80
Depreciation and amortization expense	3	115.84	136.38
Other expenses	32	1,012.82	923.10
<b>Total expenses</b>		<b>8,099.51</b>	<b>9,899.34</b>
<b>Profit before tax</b>		<b>816.03</b>	<b>1,901.28</b>
<b>Tax expense:</b>	33		
(1) Current tax		281.13	688.00
(2) Deferred tax		(41.58)	(13.83)
(3) Short/ (Excess) provision of earlier year		(10.09)	(1.48)
<b>Profit for the period</b>		<b>586.57</b>	<b>1,228.59</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of Defined benefit plans		(3.19)	(0.89)
- Income tax relating to Remeasurement of Defined benefit plans		0.89	0.31
<b>Total other comprehensive income</b>		<b>(2.30)</b>	<b>(0.58)</b>
<b>Total comprehensive income for the period</b>		<b>584.27</b>	<b>1,228.01</b>
Earnings per equity share:	34		
(1) Basic		15.38	32.22
(2) Diluted		15.38	32.22

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For C N K & Associates LLP  
CHARTERED ACCOUNTANTS  
Firm Registration No.101961W/W-100036

Alok Shah  
Partner  
Membership No. 042005

Place: Vadodara  
Date: 28th May 2018

For and on behalf of Board of Directors of  
Shilchar Technologies Limited

Alay Shah  
Managing Director  
DIN - 00263538

Jitendra Shah  
Chairman  
DIN - 00257348

Niki Kandoi  
Company Secretary

Prajesh Purohit  
Chief Financial officer

Place: Vadodara  
Date: 28th May 2018



**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018**

Particulars	For the Year ended March 31, 2018 Amount Rs.	For the Year ended March 31, 2017 Amount Rs.
<b>A Cash flow from operating activities</b>		
Profit before income tax	816.03	1,901.28
<b>Adjustments for :</b>		
Depreciation and amortisation expense	115.84	136.38
Finance Costs	125.92	65.80
(Gain)/ Loss on Sales of Property, Plant and Equipments (Net)	-	(4.12)
Expected Credit Loss Allowance	1.26	(0.53)
Fair valuation of Investments through FVTPL	(3.04)	(1.54)
Other Comprehensive Income (OCI) Reclassification	(3.19)	(0.89)
Unrealised foreign exchange (Gain)/Loss	(4.37)	18.23
<b>Operating profit before working capital changes</b>	<b>1,048.46</b>	<b>2,114.61</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in trade receivables	466.94	(343.87)
(Increase) / Decrease in inventories	(349.90)	60.35
(Increase) / Decrease in other assets	(252.48)	(220.63)
Increase / (Decrease) in trade payables	(70.77)	112.18
Increase / (Decrease) in other liabilities	79.86	133.95
<b>Cash grated from operations :</b>	<b>922.11</b>	<b>1,856.60</b>
Direct taxes paid (net)	(413.75)	(628.19)
<b>Net cash from operating activities (A)</b>	<b>508.36</b>	<b>1,228.41</b>
<b>B Cash flows from investing activities</b>		
Payment for property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(1,776.86)	(672.36)
Net proceeds from Sale of property, plant and equipment	-	34.50
Sale/(Purchased) of Investments	607.92	(954.30)
Interest Received	19.03	(5.97)
<b>Net cash (used) in Investing activities (B)</b>	<b>(1,149.91)</b>	<b>(1,598.13)</b>
<b>C Cash flow from financing activities :</b>		
Interest paid	(125.92)	(65.80)
Proceeds/ (Repayment) of Borrowings	918.80	407.97
Dividend Paid	(137.69)	(22.95)
<b>Net cash (used) in financing activities (C)</b>	<b>655.19</b>	<b>319.22</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>13.64</b>	<b>(50.50)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
Balances with banks in current accounts and deposit account	272.51	323.42
Cash on hand	3.36	2.95
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 10 &amp; 11</b>	<b>275.86</b>	<b>326.37</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
Balances with banks in current accounts and deposit account	288.72	272.51
Cash on hand	0.78	3.36
<b>CASH AND CASH EQUIVALENTS AS PER NOTE 10 &amp; 11</b>	<b>289.50</b>	<b>275.86</b>

As per our Report of even date

For and on behalf of Board of Directors of  
Shilchar Technologies Limited

For C N K & Associates LLP  
CHARTERED ACCOUNTANTS  
Firm Registration No.101961W/W-100036

Alay Shah  
Managing Director  
DIN - 00263538

Jitendra Shah  
Chairman  
DIN - 00257348

Alok Shah  
Partner  
Membership No. 042005

Niki Kandoi  
Company Secretary

Prajesh Purohit  
Chief Financial officer

Place: Vadodara  
Date: 28th May 2018

Place: Vadodara  
Date: 28th May 2018

**a. Equity Share Capital:**

<b>Balance as at the 1st April 2016</b>	<b>381.34</b>
Changes in equity share capital during 2016-17	-
<b>Balance as at the 31st March 2017</b>	<b>381.34</b>
Changes in equity share capital during 2017-18	-
<b>Balance as at the 31st March 2017- 2018</b>	<b>381.34</b>

**b. Other Equity:**

Particulars	Reserves and Surplus							Total Equity
	Capital Reserve	General Reserve	Securities Premium Reserve	Share Forfeiture	Subsidy	Revaluation Reserve	Retained Earnings	
As at 1st April, 2016	137.56	103.59	306.57	26.10	4.25	25.99	2,791.84	<b>3,395.91</b>
Profit for the year	-	-	-	-	-	-	1,228.59	<b>1,228.59</b>
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	(0.58)	<b>(0.58)</b>
Dividends paid including dividend tax thereon	-	-	-	-	-	-	(22.95)	<b>(22.95)</b>
Depreciation consequent to revaluation adjusted	-	-	-	-	-	(1.64)	1.64	-
<b>As at 31st March, 2017</b>	<b>137.56</b>	<b>103.59</b>	<b>306.57</b>	<b>26.10</b>	<b>4.25</b>	<b>24.35</b>	<b>3,998.54</b>	<b>4,600.97</b>
As at 1st April, 2017	137.56	103.59	306.57	26.10	4.25	24.35	3,998.54	<b>4,600.97</b>
Profit for the year	-	-	-	-	-	-	586.57	<b>586.57</b>
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	(2.30)	<b>(2.30)</b>
Dividends paid including dividend tax thereon	-	-	-	-	-	-	(137.69)	<b>(137.69)</b>
Transferred during the year	-	-	-	-	-	(24.35)	-	<b>(24.35)</b>
<b>As at 31st March, 2018</b>	<b>137.56</b>	<b>103.59</b>	<b>306.57</b>	<b>26.10</b>	<b>4.25</b>	<b>-</b>	<b>4,445.12</b>	<b>5,023.19</b>

For C N K & Associates LLP  
CHARTERED ACCOUNTANTS  
Firm Registration No.101961W/W-100036

For and on behalf of Board of Directors of  
Shilchar Technologies Limited

Alok Shah  
Partner  
Membership No. 042005

Place: Vadodara  
Date: 28th May 2018

Alay Shah  
Managing Director  
DIN - 00263538

Nikki Kandoi  
Company Secretary

Jitendra Shah  
Chairman  
DIN - 00257348

Prajesh Purohit  
Chief Financial officer

Place: Vadodara  
Date: 28th May 2018





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:**

**1.1 Description of Business**

SHILCHAR TECHNOLOGIES LIMITED ("the Company"), incorporated in the year 1986 is Public Limited Company and 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.

**1.2 Basis of Preparation of Financial Statements**

**i. Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act as applicable.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provisions of the Act as applicable.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101- First time Adoption of Indian Accounting Standards. The transition to Ind AS has been carried out from the accounting principles generally accepted in India ("Indian GAAP") which is considered as the 'Previous GAAP' for purposes of Ind AS 101. An explanation of how the transition to Ind AS has affected the Company's financial position, financial performance and cash flows is provided in Note 47 of the financial statement.

**ii. Historical cost convention**

The financial statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans – plan assets measured at fair value.

**iii. Functional and presentation currency**

These financial statements are presented in Indian Rupees, which is the Company's functional currency, and all values are rounded to the nearest lakhs, except otherwise indicated.

**iv. Composition of Financial Statements**

The financial statements comprise:

- Balance Sheet
- Statement of Profit and Loss
- Statement of Cash Flow
- Statement of Changes in Equity
- Notes to Financial Statements

**1.3 Significant Accounting Policies and Other Explanatory Notes**

**A. Property, Plant and Equipment:**

**i. Recognition and measurement**

Freehold land is carried at cost and not depreciated. All other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.



Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in the Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful life, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

An Item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost (except to the extent of any adjustment permissible under other accounting standard) of the property, plant and equipment.

**ii. Subsequent Expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iii. Capital Work-in-Progress**

Plant and properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying asset, borrowing costs capitalized in accordance with the Company's accounting policies. Such plant and Properties are classified and capitalized to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the asset are ready for their intended use.

**iv. Depreciation**

Depreciation is recognised so as to write off the cost of the assets (other than freehold land and Capital work in progress) less their residual values over their useful lives, using the Straight Line Method on the basis of useful lives specified in part C of Schedule II to the Companies Act, 2013. The Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimated accounted for on a prospective basis.

**B. Intangible Assets:**

**i. Recognition and measurement**

Intangible Assets are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test.

**ii. Amortization**

Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 3 years.

**C. Impairment:**

**i. Non - financial assets**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.



Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in statement of Profit and Loss.

**D. Inventories:**

Inventories are measured at the lower of Cost and Net Realizable Value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, costs includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The Net realisable value of work in progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down value below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

**E. Investments and Other Financial Assets:**

**i. Classification:**

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss), and
- Those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt or equity investments when and only when its business model for managing those assets changes.

**ii. Measurement**

At initial recognition, in case of a financial asset not at fair value through profit and loss, the Company measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Statement of Profit and Loss are expensed in Statement of Profit and Loss.

- (a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.
- (b) Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/losses. Interest income from these financial assets is included in other income using the effective interest rate method.
- (c) Fair value through profit and loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.



**iii. Equity Instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to Statement of Profit and Loss. Dividends from such investments are recognized in Statement of Profit and Loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit and loss are recognized in other gain/losses in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**iv. Derecognition**

A financial asset is derecognized only when

- (a) The Company has transferred the rights to receive cash flows from the financial asset or
- (b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

**F. Cash and Cash Equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and highly liquid investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**Cash flow statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from the operating, investing and financing activities of the Company are segregated.

**G. Financial Liabilities:**

**i. Measurement**

All financial liabilities are recognized initially at fair value and in the case of loans, borrowings and payables recognized net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

**ii. Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the Effective Interest rate (EIR) amortization process.

**H. Foreign Currency Translation:**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Indian Rupee (INR) is the functional and presentation currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income and expenses in the Statement of Profit and Loss, in the period in which they arise.



**I. Derivatives:**

**Commodity Derivatives:**

The Company is exposed to fluctuations in the prices of its raw materials. In case of principal raw materials such as copper, aluminum, 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.

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.

**J. Revenue recognition:**

Revenue is recognized to the extent that it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into the account contractually defined terms of payment and excluding taxed or duties collected on behalf of the government.

**i. Sale of Goods**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contracts and no significant uncertainty exist regarding the amount of the consideration that will be derived from the sale of the goods.

**ii. Interest income**

Interest income from the financial assets is recognized on a time basis, by reference to the principle outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

**iii. Other Income:**

- i) Export incentives are recognized when the right to receive them as per the terms of the entitlement is established in respect of exports made.
- ii) Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.
- iii) Claims/Insurance Claim etc are accounted for when no significant uncertainties are attached to their eventual receipts.
- iv) Income from Sale of Wind Operated Power is accounted on accrual basis on confirmation of units generated and supplied to the State Electricity Board as per the agreement.

**K. Employee benefits:**

**i. Short-term obligations:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.



**ii. Provident Fund:**

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

**iii. Gratuity:**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions to Life Insurance Corporation of India (LIC) under its Company's Gratuity Scheme. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**iv. Compensated Absences:**

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:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

**M. Income tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in India. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.



Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**N. Provisions and Contingencies:**

**i. Provisions**

Provisions for legal claims, product warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Long-term provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Short term provisions are carried at their redemption value and are not offset against receivables from reimbursements.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**ii. Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**iii. Contingent Assets**

Contingent Assets are not recognised but are disclosed in the notes to the financial statements.

**O. Earnings per Share:**

**i. Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

**ii. Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**P. Leases:**

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.



***As a lessee***

Payments made under operating leases (net of incentives received from the lessor) are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

***As a lessor***

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

The respective leased assets are included in the balance sheet based on their nature.

**Q. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker "CODM" of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segment. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole.

**R. Exceptional items:**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**1.4 Key Accounting Judgments, Estimates and Assumptions**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Any change in these estimates and assumptions will generally be reflected in the financial statements in current period or prospectively, unless they are required to be treated retrospectively under relevant accounting standards.

**2. RECENT ACCOUNTING PRONOUNCEMENTS:**

**Ind AS 115: Revenue from contracts with Customers**

On 28th March, 2018, Ministry of Corporate Affairs (MCA), has notified the Ind AS 115, Revenue from contracts with Customers. The core principal of new standard is that an Entity should recognise the revenue to depict the transfer of promised goods or services to Customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flow arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial period beginning on or after 1st April, 2018. The Company will adopt the standard on 1st April, 2018 using cumulative catch up transition method and accordingly comparative for the year ending or ended 31st March, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 on the operation of the Company is being assessed by the Company.



**3 Property, Plant and Equipments**

Particulars	Land - Freehold	Windmill	Electrical Installation	Office Buildings	Factory Buildings	Plant and Equipments	Furniture & Fixture	Vehicles	Office Equipment	Computers	Software	Total
<b>Gross carrying amount</b>												
<b>Deemed cost As at April 1, 2016</b>	<b>677.54</b>	<b>85.45</b>	<b>20.65</b>	<b>31.42</b>	<b>348.95</b>	<b>471.25</b>	<b>19.42</b>	<b>102.85</b>	<b>12.41</b>	<b>7.61</b>	<b>5.13</b>	<b>1,782.67</b>
Additions	-	-	0.98	-	18.39	45.63	-	-	2.55	3.17	10.51	<b>81.24</b>
Disposals	-	-	-	29.96	-	-	0.43	-	-	-	-	<b>30.38</b>
<b>Gross carrying amount As at March 31, 2017</b>	<b>677.54</b>	<b>85.45</b>	<b>21.64</b>	<b>1.47</b>	<b>367.34</b>	<b>516.88</b>	<b>19.00</b>	<b>102.85</b>	<b>14.96</b>	<b>10.78</b>	<b>15.64</b>	<b>1,833.53</b>
Additions	-	-	-	-	-	38.78	-	10.04	1.31	8.69	10.10	<b>68.92</b>
Disposals	-	-	-	-	-	-	-	-	-	-	-	
Transfer from Revaluation Reserve	(11.21)	-	-	-	(12.32)	-	-	-	-	-	-	(23.53)
<b>Gross carrying amount As at March 31, 2018</b>	<b>666.33</b>	<b>85.45</b>	<b>21.64</b>	<b>1.47</b>	<b>355.02</b>	<b>555.66</b>	<b>19.00</b>	<b>112.89</b>	<b>16.27</b>	<b>19.47</b>	<b>25.74</b>	<b>1,878.92</b>
<b>Accumulated Depreciation:</b>												
Charge for the year	-	6.12	4.11	1.47	18.73	74.43	8.08	13.64	3.10	5.62	1.08	<b>136.38</b>
<b>Closing accumulated depreciation As at March 31, 2017</b>	<b>-</b>	<b>6.12</b>	<b>4.11</b>	<b>1.47</b>	<b>18.73</b>	<b>74.43</b>	<b>8.08</b>	<b>13.64</b>	<b>3.10</b>	<b>5.62</b>	<b>1.08</b>	<b>136.38</b>
Charge for the year	-	6.12	0.99	-	19.02	64.24	1.60	14.22	2.41	3.92	3.33	<b>115.84</b>
<b>Closing accumulated depreciation As at March 31, 2018</b>	<b>-</b>	<b>12.23</b>	<b>5.11</b>	<b>1.47</b>	<b>37.74</b>	<b>138.67</b>	<b>9.68</b>	<b>27.86</b>	<b>5.51</b>	<b>9.54</b>	<b>4.41</b>	<b>252.22</b>
<b>Net carrying amount:</b>												
<b>As at March 31, 2018</b>	<b>666.33</b>	<b>73.21</b>	<b>16.53</b>	<b>-</b>	<b>317.27</b>	<b>416.99</b>	<b>9.32</b>	<b>85.03</b>	<b>10.76</b>	<b>9.93</b>	<b>21.33</b>	<b>1,626.70</b>
<b>As at March 31, 2017</b>	<b>677.54</b>	<b>79.33</b>	<b>17.52</b>	<b>-</b>	<b>348.61</b>	<b>442.45</b>	<b>10.91</b>	<b>89.21</b>	<b>11.86</b>	<b>5.16</b>	<b>14.56</b>	<b>1,697.15</b>
<b>As at April 1, 2016</b>	<b>677.54</b>	<b>85.45</b>	<b>20.65</b>	<b>31.42</b>	<b>348.95</b>	<b>471.25</b>	<b>19.42</b>	<b>102.85</b>	<b>12.41</b>	<b>7.61</b>	<b>5.13</b>	<b>1,782.67</b>

**Notes:**

- (i) The Company has adopted Previous GAAP as the deemed cost as per the exemption under Ind AS 101. Accordingly, the company has set the Net Block as per Previous GAAP as on April 1, 2016 as the Gross Block under Ind AS.
- (ii) Borrowing cost capitalized during the year amounts to Rs.12.58 Lakhs.

**3 Capital work-in-progress**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Work in Progress	2,192.85	565.72	-
	<b>2,192.85</b>	<b>565.72</b>	<b>-</b>

**4 Investments**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Investments at fair value through Other Comprehensive Income</b>			
<b>Investment in Equity Instruments (Unquoted) (Fully Paid- up)</b>			
E-Cube India Solutions Limited	70.07	70.07	70.07
<b>Total</b>	<b>70.07</b>	<b>70.07</b>	<b>70.07</b>
<b>Aggregate Value of unquoted investment</b>	<b>70.07</b>	<b>70.07</b>	<b>70.07</b>

**5 Loans**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured, considered good</b>			
- Deposits	34.50	12.63	16.51
<b>Total</b>	<b>34.50</b>	<b>12.63</b>	<b>16.51</b>

**6 Other Non - Current Assets**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured, considered good</b>			
Capital Advances	105.40	25.40	-
<b>Total</b>	<b>105.40</b>	<b>25.40</b>	<b>-</b>

**7 Inventories**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Inventories (lower of cost and net realised value)</b>			
Raw Materials	645.30	439.95	565.64
Work-in-Progress	155.16	229.33	227.05
Finished goods	342.32	123.60	60.53
<b>Total</b>	<b>1,142.78</b>	<b>792.88</b>	<b>853.23</b>

**8 Current Investments**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Investments at fair value through profit or loss</b>			
Investment in Mutual Fund	533.08	1,159.84	200.12
<b>Total</b>	<b>533.08</b>	<b>1,159.84</b>	<b>200.12</b>



**9 Trade Receivables**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<u>Unsecured, considered good</u>			
Trade Receivables	2,754.47	3,217.01	2,891.37
Allowance for doubtful debts (Expected Credit Loss allowance)	(7.33)	(6.08)	(6.61)
<b>Total</b>	<b>2,747.13</b>	<b>3,210.93</b>	<b>2,884.76</b>
<b>9.1 Amount due from Related Party</b>			
E-Cube India Solutions Limited	5.60	5.60	5.60

**10 Cash and cash equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Balances with banks</b>			
(a) In current accounts	8.29	12.00	28.14
(b) In Cash Credit accounts*	63.25	-	-
Cash on Hand	0.78	3.36	2.95
<b>Total</b>	<b>72.32</b>	<b>15.35</b>	<b>31.09</b>

\* Secured by hypothecation of inventories and trade receivables.

**11 Bank Balances Other than Cash and Cash Equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<u>Other Bank Balances</u>			
(a) Balances held as Margin Money	213.20	257.90	293.57
(b) Unpaid dividend	3.98	2.62	1.71
<b>Total</b>	<b>217.18</b>	<b>260.51</b>	<b>295.28</b>

**12 Loans**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<u>Unsecured, considered good</u>			
Deposit	4.30	4.30	4.30
<b>Total</b>	<b>4.30</b>	<b>4.30</b>	<b>4.30</b>

**13 Other Financial Assets**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Accrued Interest Income	30.95	49.98	44.01
<b>Total</b>	<b>30.95</b>	<b>49.98</b>	<b>44.01</b>

**14 Other Current Assets**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Advance to Suppliers	39.19	21.72	23.60
(b) Advances to Employee	1.16	2.70	2.76
(c) Prepaid expenses	37.34	27.09	23.89
(d) Balances with Government authorities	705.44	482.52	245.66
(e) Others Receivables	18.43	15.03	32.53
<b>Total</b>	<b>801.55</b>	<b>549.06</b>	<b>328.44</b>

**15 Share Capital**

**(a) Authorised Equity Share Capital**

Particulars	No. of Shares	Amount
<b>At 1 April 2016</b>	<b>5,000,000</b>	<b>500.00</b>
Increase /(decreased) during the year	-	-
<b>At 31 March 2017</b>	<b>5,000,000</b>	<b>500.00</b>
Increase /(decreased) during the year	-	-
<b>At 31 March 2018</b>	<b>5,000,000</b>	<b>500.00</b>

**(b) Issued Equity Share Capital**

Particulars	No. of Shares	Amount
<b>At 1 April 2016</b>	<b>3,813,400</b>	<b>381.34</b>
Increase /(decreased) during the year	-	-
<b>At 31 March 2017</b>	<b>3,813,400</b>	<b>381.34</b>
Increase /(decreased) during the year	-	-
<b>At 31 March 2018</b>	<b>3,813,400</b>	<b>381.34</b>

**(c) Terms & Rights attached to each class of shares;**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(d) Shares held by shareholders each holding more than 5% of the shares**

Shareholders	As at 31 March, 2018		As at 31 March, 2017	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares with voting rights</b>				
Alay Jitendra Shah	1,045,416	27.41%	1,045,416	27.41%
Shilpa Alay Shah	401,970	10.54%	401,970	10.54%
Aatman Alay Shah	394,382	10.34%	394,382	10.34%
Aashay Alay Shah	394,382	10.34%	394,382	10.34%
Alay Jitendra Shah (HUF)	274,825	7.21%	274,825	7.21%
Shah Family LLC	259,004	6.79%	326,204	8.55%
<b>Total</b>	<b>2,769,979</b>	<b>72.64%</b>	<b>2,837,179</b>	<b>74.40%</b>

**16 Other Equity**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Reserve	137.56	137.56	137.56
General Reserve	103.59	103.59	103.59
Securities Premium	306.57	306.57	306.57
Share Forfeiture	26.10	26.10	26.10
Subsidy	4.25	4.25	4.25
Revaluation reserve	-	24.35	25.99
Retained Earnings	4,445.12	3,998.54	2,791.84
<b>Total</b>	<b>5,023.19</b>	<b>4,600.97</b>	<b>3,395.91</b>

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Capital Reserve</b>		
As per last Balance Sheet	137.56	137.56
<b>General Reserve</b>		
As per last Balance Sheet	103.59	103.59
<b>Securities Premium Reserve</b>		
As per last Balance Sheet	306.57	306.57
<b>Share Forfeiture Account</b>		
As per last Balance Sheet	26.10	26.10
<b>Subsidy</b>		
As per last Balance Sheet	4.25	4.25
<b>Revaluation Reserve</b>		
As per last Balance Sheet	24.35	25.99
Less: transferred during the year	(24.35)	(1.64)
	-	<b>24.35</b>
<b>Retained Earnings</b>		
Add: Profit for the year as per Statement of Profit and Loss	3,998.54	2,791.84
Add/(Less): Remeasurement of the Net Defined benefit liability/asset, net of tax effect	586.57	1,228.59
Add: Other Adjustments	(2.30)	(0.58)
Less: Dividend on Equity shares including tax thereon	-	1.64
	(137.69)	(22.95)
<b>Total</b>	<b>4,445.12</b>	<b>3,998.54</b>

**17 Borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured - at amortized cost</b>			
(a) Term Loans			
- from Banks (Refer below note)	1,040.12	-	-
<b>Total</b>	<b>1,040.12</b>	<b>-</b>	<b>-</b>

**(i) Nature of Security**

The above Term loans are secured by way of equitable mortgage against industrial property of Factory Land and Building situated at Jambusar Padra Highway, village Gavasad, Sub-District Padra, District - Vadodara.

**(ii) Maturity profile of Secured Term loans are set out below:**  
(Interest rate range from 4.72 % to 5.75 %)

Particulars	Amount (Rs. In Lakhs)
0-1 year	75.00
1-2 years	300.00
2-3 years	300.00
3-4 years	300.00
4-5 years	300.00
5-6 years	225.00

**(iii) Tenure :** The above term loan has a tenure of 72 months including 12 months of moratorium period and 60 months of repayment period. Repayment to commence after 12 months of its first drawdown on a quarterly basis.

**18 Provisions**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for employee benefits</b>			
Provision for Gratuity (Net )	51.49	31.36	26.97
Provision for Compensated absences	16.85	20.29	11.99
<b>Total</b>	<b>68.34</b>	<b>51.65</b>	<b>38.96</b>

**19 Deferred Tax Liabilities (Net)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Deferred Tax Assets</b>			
The balance comprises temporary differences attributable to:			
Provision For Employee Benefit	20.13	17.88	13.48
Remeasurements of the defined benefit plans	2.73	0.31	-
Others	-	3.82	3.11
<b>Total DTA</b>	<b>22.86</b>	<b>22.01</b>	<b>16.59</b>
<b>Deferred Tax Liability</b>			
The balance comprises temporary differences attributable to:			
Depreciation	124.65	165.69	174.94
Others	-	0.57	0.04
<b>Total DTL</b>	<b>124.65</b>	<b>166.26</b>	<b>174.98</b>
<b>Net Deferred Tax Asset/(Liability)</b>	<b>(101.79)</b>	<b>(144.26)</b>	<b>(158.39)</b>



**20 Borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured</b>			
a) Loans repayable on demand			
- From banks	211.66	407.97	-
<b>Total</b>	<b>211.66</b>	<b>407.97</b>	<b>-</b>

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 are against LC's of customers duly confirmed by their respective bankers.

**21 Trade Payables**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade Payables (Refer Note 39)	2,197.19	2,267.93	2,155.75
<b>Total</b>	<b>2,197.19</b>	<b>2,267.93</b>	<b>2,155.75</b>

**22 Other Financial Liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Current Maturities On Long Term Debt (Refer Note (i) below)	75	-	1.02
(b) Unpaid Dividends*	3.90	2.62	1.82
(c) Security Deposits	1.70	3.38	2.83
<b>Total</b>	<b>80.60</b>	<b>6.00</b>	<b>5.67</b>

(\*) To be deposited with Investor Education and Protection Fund as and when they became due.

Note (i): Current maturities of long-term debt (Refer Notes (i) in Note 17 - Long-term borrowings for details of security and guarantee):

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Secured Term loans from banks: (Interest rate range from 4.72 % to 5.75 %)	75.00	-	1.02
<b>Total</b>	<b>75.00</b>	<b>-</b>	<b>1.02</b>

**23 Other Current Liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Advance's from Customers	231.56	224.05	151.20
(b) Statutory Liabilities	17.00	8.57	4.35
(c) Salary and Wages Payable	32.89	30.43	22.20
(d) Other payable	185.40	139.29	116.80
<b>Total</b>	<b>466.84</b>	<b>402.34</b>	<b>294.56</b>

**24 Provisions**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for employee benefits</b>			
- Provision for gratuity	2.23	1.50	-
- Provision for Compensated absences	1.80	3.47	2.37
<b>Total</b>	<b>4.03</b>	<b>4.97</b>	<b>2.37</b>

**25 Current Tax Liabilities (Net)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Tax (Net of Advance Tax)	3.70	146.41	77.53
<b>Total</b>	<b>3.70</b>	<b>146.41</b>	<b>77.53</b>

**26 Revenue from Operations**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Sale of Products</b>		
- Sale of Products(*)	8,800.50	11,459.22
	<b>8,800.50</b>	<b>11,459.22</b>
<b>Total</b>	<b>8,800.50</b>	<b>11,459.22</b>

\*With effect from 1st July, 2017 Goods and Service Tax (GST) was introduced and hence, the revenue from operations for the period 01.07.17 to 31.03.18 is net of GST. However, the revenue from operations for the period of 01.04.17 to 30.06.17 includes excise duty recovered on sales of Rs. 47.07 Lakhs and for the year ended 31st March, 2017 includes excise duty recovered on sales of Rs. 540.46 Lakhs.

**27 Other Income**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income	25.30	57.67
Fair Value change of investment held for trading	3.04	1.54
Net gain on foreign currency transactions/translations	11.86	47.06
Export Incentives	25.39	85.96
Income from Windmill	20.46	32.29
<b>Other Non Operating Income</b>		
- Gain on sale of Property, Plant and Equipment (Net)	-	4.12
- Income from Liquid Fund	20.35	63.93
- Others	8.63	48.85
<b>Total</b>	<b>115.04</b>	<b>341.40</b>

**28 Cost of Raw Material and Components**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cost of Raw Material Consumed	6,456.83	7,826.96
Consumable Store and Spares	46.44	22.15
<b>Total</b>	<b>6,503.27</b>	<b>7,849.11</b>



**29 Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year:		
Finished Goods	342.32	123.60
Work In Progress	155.16	229.33
	<b>497.48</b>	<b>352.93</b>
Inventories at the beginning of the year:		
Finished Goods	123.60	60.53
Work In Progress	229.33	227.05
	<b>352.93</b>	<b>287.58</b>
<b>Net (increase) / decrease</b>	<b>(144.55)</b>	<b>(65.35)</b>
Differential Excise Duty on Opening and Closing Stock of Finished Goods	(-13.73)	7.01
<b>Net (increase) / decrease</b>	<b>(158.28)</b>	<b>(58.34)</b>

**30 Employee benefits expense**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary, Wages, Bonus and Others etc.	400.94	396.20
Contributions to Provident Fund and Other Funds	31.84	17.52
Staff Welfare Expenses	20.08	29.12
<b>Total</b>	<b>452.86</b>	<b>442.84</b>

**31 Finance costs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest expense	92.13	36.68
(b) Other Borrowing costs	33.79	29.12
<b>Total</b>	<b>125.92</b>	<b>65.80</b>

**32 Other Expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Power and Fuel	49.71	50.62
Processing cost	297.49	348.43
Carting, Freight, Octroi Inwards	49.71	59.81
<b>Repairs and Maintenance:</b>		
Building	3.38	1.65
Plant and Machinery	4.83	12.27
Others	34.67	12.68
Legal and Professional Fees	64.20	48.29
Business Promotion Expense	121.69	59.95
Freight / Clearing and Forwarding Charges on Sales (net of recoveries)	176.91	73.65
Rent (Refer Note 38)	4.00	12.00
Payments to Auditors (Refer note 40)	2.95	2.95
Corporate Social Responsibility Expenses (Refer Note 41)	19.74	20.08
Travelling Expense	60.94	78.21
Research and development expenses	35.34	31.56
Directors sitting fees	3.05	3.10
Miscellaneous Expenses	84.20	107.85
<b>Total</b>	<b>1,012.82</b>	<b>923.10</b>

**33 Taxes Reconciliation**

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(a) Income tax expense</b>		
<i>(i) Current tax</i>		
Current tax on profits for the year	281.13	688.00
Short/ (Excess) provision of earlier year	(10.09)	(1.48)
	<b>271.04</b>	<b>686.52</b>
<i>(ii) Total Deferred tax expenses (Benefits)</i>	(41.58)	(13.83)
	<b>(41.58)</b>	<b>(13.83)</b>
Total Income tax expenses (i + ii)	229.46	672.69
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
Profit before income tax expense	816.03	1,901.28
<b>Tax at the Indian tax rate of 34.61% (2016-2017 – 34.61%)</b>	282.41	657.99
Non-deductible tax expenses (Disallowances 43B)	4.20	4.88
Deductible tax expenses (allowances 43B)	(5.28)	(4.61)
Others (including deferred tax)	(51.87)	14.43
<b>Income Tax Expense</b>	<b>229.46</b>	<b>672.69</b>

**34 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

**i. Profit attributable to Equity holders of Company**

Particulars	March 31, 2018	March 31, 2017
Profit attributable to equity holders of the Company for basic and diluted earnings per share	586.57	1,228.59

**ii. Weighted average number of ordinary shares**

Particulars	March 31, 2018	March 31, 2017
Issued ordinary shares(in Nos)	38,13,400	38,13,400
Weighted average number of shares at March 31 for basic and diluted earnings per shares	38,13,400	38,13,400
<b>Basic earnings per share</b>	<b>15.38</b>	<b>32.22</b>

**35 Disclosure as required under Ind AS 19 - Employee Benefits**

**[A] Defined contribution plans:**

The Company makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

The Company recognised Rs. 12.93 Lakhs (P.Y : Rs. 11.22 Lakhs ) for provident fund contributions in the Statement of Profit and Loss.

**[B] Defined benefit plan:**

The Company makes annual contributions to Shilchar Technologies Limited Employees' Gratuity Fund managed by

LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

- i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- ii) On death in service: As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2018.

**Defined benefit plans / compensated absences - As per actuarial valuation**

a) Reconciliation in present value of obligations (PVO) - Defined Benefit Obligation:	Gratuity Funded as on	
	March 31, 2018	March 31, 2017
Present value of Benefit Obligations at the beginning of the period	53.31	46.61
Current Service Cost	7.64	2.71
Past Service Cost	7.31	-
Interest Cost	4.11	3.73
Benefits Paid	(5.18)	(0.63)
Actuarial (Gains) / Losses due to change in assumptions	3.14	0.89
<b>Present value of Benefit Obligations at the end of the period</b>	<b>70.32</b>	<b>53.31</b>

b) Change in fair value of plan assets:	Gratuity Funded as on	
	March 31, 2018	March 31, 2017
Fair value of Plan assets at the beginning of the year	20.45	19.64
Expected Return on plan assets	1.38	1.44
Contributions by Employer	-	-
Benefits paid	(5.18)	(0.63)
Actuarial Gains and (Losses)	(0.05)	-
<b>Fair value of Plan assets at the end of the year</b>	<b>16.60</b>	<b>20.45</b>

c) Reconciliation of PVO and fair value of plan assets:	Gratuity Funded as on	
	March 31, 2018	March 31, 2017
Present value of Benefit Obligations at the end of the period	70.32	53.31
Fair value of Plan assets at the end of the year	16.60	20.45
<b>Net (Asset) / Liability recognised in Balance sheet</b>	<b>53.72</b>	<b>32.86</b>

d) Net Expenses recognised in the statement of Profit and Loss accounts	Gratuity Funded as on	
	March 31, 2018	March 31, 2017
Net Interest Cost	2.73	2.29
Current Service Cost	7.64	2.71
Past Service Cost	7.31	-
<b>Total</b>	<b>17.68</b>	<b>5.00</b>

e) Amount recognised in Other comprehensive income remeasurements:	Gratuity Funded as on	
	March 31, 2018	March 31, 2017
Actuarial (Gains) / Losses	3.19	0.89



f) Assumptions used in the accounting for the gratuity plan:	Gratuity Funded as on	
	March 31, 2018	March 31, 2017
Discount Rate (%)	7.70%	8.00%
Rate of return on plan assets ( For funded scheme ) (%)	7.70%	7.71%
Salary escalation rate (%)	7.00%	7.00%
Mortality* :		
* Indian Assured Lives Mortality (2006-08)		

**g) Sensitivity Analysis**

Particulars	Gratuity Funded as on	
	March 31, 2018	March 31, 2017
+1.00% Change in Rate of Discounting	65.81	38.90
-1.00% Change in Rate of Discounting	75.32	42.28
+1.00% Change in Rate of Salary escalation	75.31	42.28
-1.00% Change in Rate of Salary escalation	65.74	38.87
+1.00% Change in Rate of Withdrawal	70.37	40.64
-1.00% Change in Rate of Withdrawal	70.27	40.60

**36 Related Party Disclosures**

**a) Name of the related party and nature of relationship: -**

Sr No	Particulars	Relationship
<b>I</b>	<b>Key Managerial Personnel / Directors:</b> Mr. Jitendra Shah Mr. Alay Shah Mr. Mukesh Patel Mrs. Reshma Patel Mr. Om Prakash Khanna Mr. Zarksis Jahangir Parabia Mr. Prajesh Purohit Ms. Mauli Bhatt (Upto 27.07.2017) Ms. Niki Kandoi	Chairman and Director Managing Director Independent Director Independent Director Independent Director Independent Director Independent Director Chief Financial Officer Company Secretary Company Secretary
<b>II</b>	<b>Relatives of Key Managerial Personnel</b> Mrs. Shilpa Shah Mr. Aashay Shah Mr. Aatman Shah Mr. Ashesh Shah	Relative of Key management Person Relative of Key management Person Relative of Key management Person Relative of Key management Person
<b>III</b>	<b>Entities controlled by Directors/Relatives of Directors</b> E-cube India Solutions Ltd	Entities controlled by Directors/Relatives of Directors

**b) Key Managerial Personnel Compensation**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	108.57	131.81
Terminal Benefits	24.44	14.07
Other Benefits	31.37	20.91
<b>Total Compensation</b>	<b>164.38</b>	<b>166.79</b>



**c) Transactions with Related Parties:**

During the year, the following transactions were carried out with related parties and relative of Key Managerial Personnel in the ordinary course of the business.

Sr No	Key Managerial Personnel and their relatives	Name of Parties	For the year ended 31st March, 2018	For the year ended 31st March, 2017
1	Remuneration	Mr. Alay Shah	122.95	135.84
		Mr. Prajesh Purohit	8.99	8.36
		Ms. Mauli Bhatt	0.55	1.68
		Ms. Niki Kandoi	0.52	-
2	Relative Of Key management Person Remuneration	Mr. Aashay Shah	8.07	7.13
		Mr. Atman shah	6.43	2.76
		Mrs. Shilpa Shah	15.44	15.54
3	Dividend Paid	Mr. Alay Shah	31.36	20.91
		Mrs. Shilpa Shah	12.06	8.04
		Mr. Aatman Shah	11.83	7.89
		Mr. Aashay Shah	11.83	7.89
		Mr. Jitendra Shah	0.00	0.00
4	Professional fees	Mr Ashesh shah	15.00	15.00
5	Lease rent paid	Mr. Alay Shah	4.00	12.00
6	Perquisite of electricity	Mrs. Shilpa Shah	1.29	1.72
7	Sitting Fees	Mr. Om Prakash Khanna	0.20	0.20
		Mr. Mukesh Patel	1.05	1.05
		Mrs. Reshma Patel	1.05	1.05
		Mr. Zarksis Jahangir Parabia	0.75	0.80

**d) Outstanding Balances**

Sr No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at April 1, 2016
1	<b>Entities controlled by Directors/Relatives of Directors</b>			
	Trade Receivables	5.60	5.60	5.60
2	<b>Key Managerial Personnel and relatives</b>			
	Mrs. Shilpa Shah	1.14	0.82	1.19
	Mr. Alay Shah	4.96	8.97	4.13
	Mr. Aashay Shah	0.85	0.50	0.52
	Mr. Aatman Shah	0.51	0.51	-
	Mr. Prajesh Purohit	0.79	0.76	0.73
	Ms. Mauli Bhatt	-	0.13	0.13
	Ms Niki Kandoi	0.15	-	-



**37 Contingent Liabilities**

Sr No	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at April 1, 2016
(i)	<b>Contingent liabilities</b>			
	a) Liabilities Disputed in appeals - Sales Tax	41.00	41.00	41.00
	b) Claims against the Company not acknowledged as debt (on account of outstanding law suits)	3.27	0.23	0.23
	c) Letter of Credit, Bank Guarantees and corporate Guarantees	1,726.01	1,970.91	2,509.66
	<b>Total</b>	<b>1,770.28</b>	<b>2,012.14</b>	<b>2,550.89</b>
(ii)	<b>Estimated amount of contracts remaining to be executed on capital account and not provided for:</b>			
	- Tangible Assets	502.17	-	-

**38 Disclosure pursuant to Ind AS 17 - Leases**

The Company has obtained premises for its business operations under operating lease or leave and license agreements. These are not non-cancellable and are renewable by mutual consent on mutually agreeable terms.

Lease payments are recognised in Statement of Profit and Loss under the head "Rent Expense" in note no 32.

**39 Disclosure related to Micro and Small Enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The Disclosure Pursuant to the said MSMED Act is as follows:

Note 1: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note 2: There is no interest paid during the year or payable at the end of the year to any of the Micro and Small Enterprises.

**Outstanding dues to micro and small enterprises**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Principal amount remaining unpaid to any supplier	190.03	180.99
(ii) Interest due thereon remaining unpaid to any supplier	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period on payments made beyond the appointed day	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
(vii) Total outstanding dues of Micro Enterprises and Small Enterprises	190.03	180.99
(viii) Total outstanding dues of the Creditors other than Micro Enterprises and Small Enterprises	2,007.16	2,086.94



**40 Payments to Auditors**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Statutory Auditors</b>		
Audit Fees	2.55	2.55
Fees for other services	0.40	0.40
Reimbursement of expenses	-	-

**41 Corporate Social Responsibility (CSR)**

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The areas for CSR activities are promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as specified in Schedule VII of the Companies Act, 2013. The details of amount required to be spent and actual expenses spent during the year is as under:

(a) Gross amount required to be spent by the company during the year: Rs. 28.03 Lakhs (Previous Year Rs. 18.16 Lakhs)

(b) Amount spent during the year on:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1. Construction / Acquisition of Assets</b>		
- In cash	-	-
- Yet to be paid in cash	-	-
<b>2. On purpose other than (i) above</b>		
- In cash	19.74	20.08
- Yet to be paid	8.29	-

**42 Operating Segments**

The activities of the Company relate to only one segment i.e. Transformers & Parts.

**Geographical Information**

The analysis of geographical information is based on the geographical location of the customers. The geographical information considered for disclosure are as follows:

**Revenue by Geography**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Within India	7,415	7,023
Outside inida	1,386	4,436

**Carrying value of segment assets**

Particulars	As at March 31, 2018	As at March 31, 2017
Within India	9,220	7,904
Outside inida	358	510

**Property, Plant and Equipment by Geographical Locations**

The Company has common PPE for producing goods for domestic as well as overseas market. There are no PPE situated outside India. Hence, additional segment-wise information for PPE / additions to PPE has not been furnished.

**43 Dividends to Non-Resident Shareholders:**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend	8,68,959	2,15,399
Number of Non resident shareholders	2	2
Number of Equity shares held by such non resident shareholders	2,89,653	4,30,799
Year to which Dividend relates	2016-17	2015-16

## 44 Fair Value Measurements

## Financial instruments by category

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>									
Investments									
- Equity Instruments	-	70.07	-	-	70.07	-	-	70.07	-
- Mutual Funds	533.08	-	-	1,159.84	-	-	200.12	-	-
Deposits	-	-	38.80	-	-	16.92	-	-	20.81
Trade Receivables	-	-	2,747.13	-	-	3,210.93	-	-	2,884.76
Cash and Cash Equivalents	-	-	72.32	-	-	15.35	-	-	31.09
Bank Balances other than above	-	-	217.18	-	-	260.51	-	-	295.28
Other Financial Assets	-	-	30.95	-	-	49.98	-	-	44.01
<b>Total Financial Assets</b>	<b>533.08</b>	<b>70.07</b>	<b>3,106.38</b>	<b>1,159.84</b>	<b>70.07</b>	<b>3,553.70</b>	<b>200.12</b>	<b>70.07</b>	<b>3,275.94</b>
<b>Financial Liabilities</b>									
Borrowings			1,326.78			407.97			1.02
Other current financial Liabilities	-	-	5.60	-	-	6.00	-	-	4.65
Trade payables	-	-	2,197.19	-	-	2,267.93	-	-	2,155.75
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>3,529.56</b>	<b>-</b>	<b>-</b>	<b>2,681.90</b>	<b>-</b>	<b>-</b>	<b>2,161.41</b>



## (i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Financial Assets and Liabilities measured at fair value - recurring fair value measurements**

As at March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVTPL</b>					
Mutual Funds	8	533.08	-	-	533.08
<b>Financial Investments at FVOCI</b>					
Equity Instruments	4	-	70.07	-	70.07
<b>Total Financial Assets</b>		<b>533.08</b>	<b>70.07</b>	<b>-</b>	<b>603.15</b>
Financial Liabilities	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial Assets and Liabilities measured at fair value - recurring fair value measurements**

As at March 31, 2017	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVTPL</b>					
Mutual Funds	8	1,159.84	-	-	1,159.84
<b>Financial Investments at FVOCI</b>					
Equity Instruments	4	-	70.07	-	70.07
<b>Total Financial Assets</b>		<b>1,159.84</b>	<b>70.07</b>	<b>-</b>	<b>1,229.91</b>
Financial Liabilities	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Financial Assets and Liabilities measured at fair value - recurring fair value measurements**

As at April 1, 2016	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVTPL</b>					
Mutual Funds	8	200.12	-	-	200.12
<b>Financial Investments at FVOCI</b>					
Equity Instruments	4	-	70.07	-	70.07
<b>Total Financial Assets</b>		<b>200.12</b>	<b>70.07</b>	<b>-</b>	<b>270.19</b>
Financial Liabilities	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted analysis (if any).



**45 Financial Risk Management**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**(A) Credit risk**

Credit risk is the risk of incurring a loss that may arise from a borrower or debtor failing to make required payments. Credit risk arises mainly from outstanding receivables from free market dealers, cash and cash equivalents, employee advances and security deposits. The Company manages and analyses the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered.

**(i) Credit risk management**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty;
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instrument, which requires expected lifetime losses to be recognized from initial recognition of the receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and relevant information that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

**The reconciliation of Expected Credit Loss is as follows:**

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	6.08	6.61
Provision made/(reversed) during the year	1.26	(0.53)
Balance at the end	7.33	6.08

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.



**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**(i) Maturities of financial liabilities**

The tables herewith analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

**Contractual maturities of financial liabilities**

Particulars	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2018</b>			
<b>Non-derivatives</b>			
Borrowings	211.66	1,040.12	1,251.78
Trade payables	2,197.19	-	2,197.19
Other financial liabilities	80.60	-	80.60
<b>Total Non-derivative liabilities</b>	<b>2,489.45</b>	<b>1,040.12</b>	<b>3,529.56</b>
<b>As at March 31, 2017</b>			
<b>Non-derivatives</b>			
Borrowings	407.97	-	407.97
Trade payables	2,267.93	-	2,267.93
Other financial liabilities	6.00	-	6.00
<b>Total Non-derivative liabilities</b>	<b>2,681.90</b>	<b>-</b>	<b>2,681.90</b>
<b>As at April 1, 2016</b>			
<b>Non-derivatives</b>			
Trade payables	2,155.75	-	2,155.75
Other financial liabilities	5.67	-	5.67
<b>Total Non-derivative liabilities</b>	<b>2,161.41</b>	<b>-</b>	<b>2,161.41</b>

**(C) Market risk**

**(i) Foreign currency risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The risk is measured through a forecast of foreign currency for the Company's operations.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in Indian Rupee, are as follows:

**(i) Trade receivable and other Receivable**

Currency	As at March 31, 2018		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
USD	358.41	-	358.41

Currency	As at March 31, 2017		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
USD	509.63	-	509.63

Currency	As at April 1, 2016		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
USD	913.74	-	913.74

**(ii) Trade payable and other payable**

Currency	As at March 31, 2018		
	Trade receivable and other Payable	Hedges available	Net exposure to foreign currency risk
USD	1,352.38	-	1,352.38

Currency	As at March 31, 2017		
	Trade receivable and other Payable	Hedges available	Net exposure to foreign currency risk
USD	313.24	-	313.24

Currency	As at April 1, 2016		
	Trade receivable and other Payable	Hedges available	Net exposure to foreign currency risk
USD	31.32	-	31.32

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments.

	Impact on profit after tax	
	31-Mar-18	31-Mar-17
USD sensitivity		
INR/USD increases by 5%	(49.70)	9.82
INR/USD decreases by 5%	49.70	(9.82)



## **46 Capital Management**

### **Risk management**

For the purpose of the company's capital management, equity includes equity share capital and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital to optimise returns to the shareholders and makes adjustments to it in light of changes in economic conditions or its business requirements. The Company's objectives are to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The Company funds its operation through internal accruals. The management and Board of Directors monitor the return on capital as well as the level of dividends to shareholders.

## **47 Disclosure as required by Ind AS 101 first time adoption of Indian Accounting Standards**

### **Transition to Ind AS**

These are the Company's first Standalone Financial Statements prepared in accordance with Ind AS.

The accounting standards notified u/s 133 of the Companies Act, 2013 and the Accounting policies set out in note 1.2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

### **A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied by the Company in the transition from previous GAAP to Ind AS.

#### **A.1 Ind AS optional exemptions**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment (PPE) as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company as elected to measure all of its PPE and Intangible assets at their previous GAAP carrying value.

#### **A.1.2 Designation of previously recognized financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at Fair Value through Other Comprehensive Income (FVOCI) on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

### **A.2 Ind AS Mandatory Exceptions**

#### **A.2.1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP: - Investment in equity instruments carried at FVOCI; and - Investment in mutual funds carried at Fair Value through Profit and Loss (FVTPL).

#### **A.2.2 De-recognition of financial assets and liabilities**

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

#### **A.2.3 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



**B. Reconciliations between previous GAAP and Ind AS**

The following tables represent the reconciliations of Balance Sheet, Total Equity, Total Comprehensive Income, and Cash Flows from previous GAAP to Ind AS.

**I. Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS as at April 1, 2016**

Particulars	Notes to First time adoption	Amount as per IGAAP *	Effects of transition to Ind AS	Amount as per Ind AS
<b>Non-current assets</b>				
(a) Property, Plant and Equipment		1,777.54	-	1,777.54
(b) Capital work-in-progress		-	-	-
(c) Intangible Assets		5.13	-	5.13
(d) Financial Assets				
(i) Investments		70.07	-	70.07
(ii) Loans		16.51	-	16.51
(e) Other Non Current Assets		-	-	-
<b>Total non current assets</b>		<b>1,869.25</b>	<b>-</b>	<b>1,869.25</b>
<b>Current Assets</b>				
(a) Inventories		853.23	-	853.23
(b) Financial Assets				
(i) Investments	1	200.00	0.12	200.12
(ii) Trade receivables	2	2,891.37	(6.61)	2,884.76
(iii) Cash and cash equivalents		31.09	-	31.09
(iv) Bank Balances other than (iii) above		295.28	-	295.28
(v) Loans		4.30	-	4.30
(vi) Other financial assets		44.01	-	44.01
(c) Other current assets		328.44	-	328.44
<b>Total current assets</b>		<b>4,647.71</b>	<b>(6.49)</b>	<b>4,641.22</b>
<b>TOTAL ASSETS</b>		<b>6,516.96</b>	<b>(6.49)</b>	<b>6,510.47</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		381.34	-	381.34
(b) Other Equity	3	3,377.20	18.70	3,395.91
<b>Total equity</b>		<b>3,758.54</b>	<b>18.70</b>	<b>3,777.25</b>
<b>LIABILITIES</b>				
<b>Non current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(b) Provisions		38.96	-	38.96
(c) Deferred Tax Liability (Net)	4	160.64	(2.25)	158.39
<b>Total non current liabilities</b>		<b>199.60</b>	<b>(2.25)</b>	<b>197.35</b>
<b>Current liabilities</b>				
Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables		2,155.75	-	2,155.75
(iii) Other financial liabilities		5.67	-	5.67
(b) Other current liabilities		294.56	-	294.56
(c) Provisions	5	25.32	(22.95)	2.37
(d) Current Tax Liabilities (Net)		77.53	-	77.53
<b>Total Current liabilities</b>		<b>2,558.82</b>	<b>(22.95)</b>	<b>2,535.87</b>
<b>Total liabilities</b>		<b>2,758.42</b>	<b>(25.20)</b>	<b>2,733.22</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,516.96</b>	<b>(6.49)</b>	<b>6,510.47</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**II. Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS as at March 31, 2017**

Particulars	Notes to First time adoption	Amount as per IGAAP *	Effects of transition to Ind AS	Amount as per Ind AS
<b>Non-current assets</b>				
(a) Property, Plant and Equipment		1,682.59	-	1,682.59
(b) Capital work-in-progress		565.72	-	565.72
(c) Intangible Assets		14.56	-	14.56
(d) Financial Assets				
(i) Investments		70.07	-	70.07
(ii) Loans		12.63	-	12.63
(e) Other Non Current Assets		25.40	-	25.40
<b>Total non- current assets</b>		<b>2,370.97</b>	<b>-</b>	<b>2,370.97</b>
<b>Current Assets</b>				
(a) Inventories		792.88	-	792.88
(b) Financial Assets				
(i) Investments	1	1,158.18	1.66	1,159.84
(ii) Trade receivables	2	3,217.01	(6.08)	3,210.93
(iii) Cash and cash equivalents		15.35	-	15.35
(iv) Bank Balances other than (iii) above		260.51	-	260.51
(v) Loans		4.30	-	4.30
(vi) Other financial assets		49.98	-	49.98
(c) Other current assets		549.06	-	549.06
<b>Total current assets</b>		<b>6,047.28</b>	<b>(4.42)</b>	<b>6,042.86</b>
<b>TOTAL ASSETS</b>		<b>8,418.25</b>	<b>(4.42)</b>	<b>8,413.83</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		381.34	-	381.34
(b) Other Equity	3	4,603.55	(2.59)	4,600.97
<b>Total equity</b>		<b>4,984.89</b>	<b>(2.59)</b>	<b>4,982.31</b>
<b>LIABILITIES</b>				
<b>Non current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(a) Provision		51.65	-	51.65
(b) Deferred tax Liabilities(net)	4	146.09	(1.84)	144.26
<b>Total non current liabilities</b>		<b>197.74</b>	<b>(1.84)</b>	<b>195.91</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		407.97	-	407.97
(ii) Trade payables		2,267.93	-	2,267.93
(iii) Other financial liabilities		6.00	-	6.00
(b) Other current liabilities		402.34	-	402.34
(c) Provisions		4.97	-	4.97
(d) Current Tax Liabilities (Net)		146.41	-	146.41
<b>Total Current liabilities</b>		<b>3,235.62</b>	<b>-</b>	<b>3,235.62</b>
<b>Total liabilities</b>		<b>3,433.36</b>	<b>(1.84)</b>	<b>3,431.52</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,418.25</b>	<b>(4.42)</b>	<b>8,413.83</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



**III. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

Particulars	Notes to First time adoption	Amount as per IGAAP *	Effects of transition to Ind AS	Amount as per Ind AS
Revenue From Operations		11,459.22		11,459.22
Other Income	1	339.87	1.54	341.40
<b>Total Income</b>		<b>11,799.09</b>	<b>1.54</b>	<b>11,800.62</b>
<b>EXPENSES</b>				
Cost of materials consumed		7,849.11	-	7,849.11
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		(58.34)	-	(58.34)
Excise duty on sale of goods		540.46		540.46
Employee benefits expense	6	443.73	(0.89)	442.84
Finance costs		65.80	-	65.80
Depreciation and amortization expense		136.38	-	136.38
Other expenses	2	923.64	(0.53)	923.10
<b>Total expenses</b>		<b>9,900.77</b>	<b>(1.42)</b>	<b>9,899.34</b>
Profit/(loss) before tax		<b>1,898.32</b>	<b>2.96</b>	<b>1,901.28</b>
<b>Tax expense:</b>				
(1) Current tax		688.00	-	688.00
(2) Deferred tax		(14.54)	0.72	(13.83)
(3) Short/ (Excess) provision of earlier year		(1.48)	-	(1.48)
Profit (Loss) for the period		<b>1,226.35</b>	<b>2.24</b>	<b>1,228.59</b>
<b>Other Comprehensive Income</b>				
(i) Items that will not be reclassified to profit or loss				
- Remeasurement of Defined benefit plans		-	(0.89)	(0.89)
- Income tax relating to Remeasurement of Defined benefit plans		-	0.31	0.31
Total other comprehensive income		-	<b>(0.58)</b>	<b>(0.58)</b>
Total comprehensive income for the period		<b>1,226.35</b>	<b>1.66</b>	<b>1,228.01</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**IV. The Company does not have a significant impact on the Cash flow statement as on 31 March 2017.**

**V. Reconciliation of Equity as on 31 March 2017 and 1 April 2016**

Net worth as per Previous GAAP	Note Ref	March 31, 2017	April 1, 2016
<b>Net worth as per previous GAAP</b>		<b>4,984.89</b>	<b>3,758.54</b>
- Gain/(Loss) on measurement of investment through fair value through profit and loss account	1	1.66	0.12
- Expected Credit Loss allowance	2	(6.08)	(6.61)
- Reversal of proposed dividend and tax thereon	5	-	22.95
- Impact of Deferred tax	4	1.84	2.25
<b>Total Impact</b>		<b>(2.59)</b>	<b>18.70</b>
<b>Net worth as per Ind AS</b>		<b>4,982.31</b>	<b>3,777.25</b>



**C. Notes to First time adoption**

**1 Fair valuation of investments**

Under the previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes in investment in mutual funds have been recognized in retained earnings as at the date of transition and subsequently in the profit and loss for the year ended March 31, 2017. This increased the retained earnings by Rs.1.66 Lakhs as at March 31, 2017 (April 1, 2016 - Rs.0.12 Lakhs).

**2 Loss allowance**

On transition to Ind AS, the company has recognised impairment loss on trade receivables based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivables have been reduced with a corresponding decrease in retained earnings on the date of transition and there has been an incremental provision for the year ended 31 March 2017 resulting in decreased in carrying amount by Rs.6.08 Lakhs as at 31 March 2017 and by Rs.6.61 Lakhs as at 1 April 2016.

**3 Retained Earnings**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS adjustments.

**4 Deferred tax**

Deferred tax have been recognized on the adjustments made on transition to Ind AS.

**5 Reversal of Dividend provided**

Under previous GAAP, dividend on equity shares, which was recommended by the board of directors after the end of reporting period but before the financial statement were recognised in the financial statements as a liability. Under Ind AS, such dividend are recognised when declared by the members in a general meeting. The effect of this change is an increase in total equity as at 31st march 2016 of Rs. 22.95 Lakhs, but does not affect profit before tax and total profit for the year ended 31st March 2017.

**6 Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year.

**48 Event after reporting Period**

The Board of Director recommended final dividend of Rs.2 per equity share for the financial year ended on 31st March, 2018. The payment is subject to approval of share holder in ensuing Annual General Meeting of the Company. (Previous year Rs. 3 per equity share).

**49** These Financial Statements were authorised for issue in accordance with the resolution of the Board of Directors in its meeting held on 28th May, 2018.

**50** The figures as on the transition date and previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year.

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For C N K & Associates LLP  
CHARTERED ACCOUNTANTS  
Firm Registration No.101961W/W-100036

Alok Shah  
Partner  
Membership No. 042005

Place: Vadodara  
Date: 28th May 2018

For and on behalf of Board of Directors of  
Shilchar Technologies Limited

Alay Shah  
Managing Director  
DIN - 00263538

Niki Kandoi  
Company Secretary

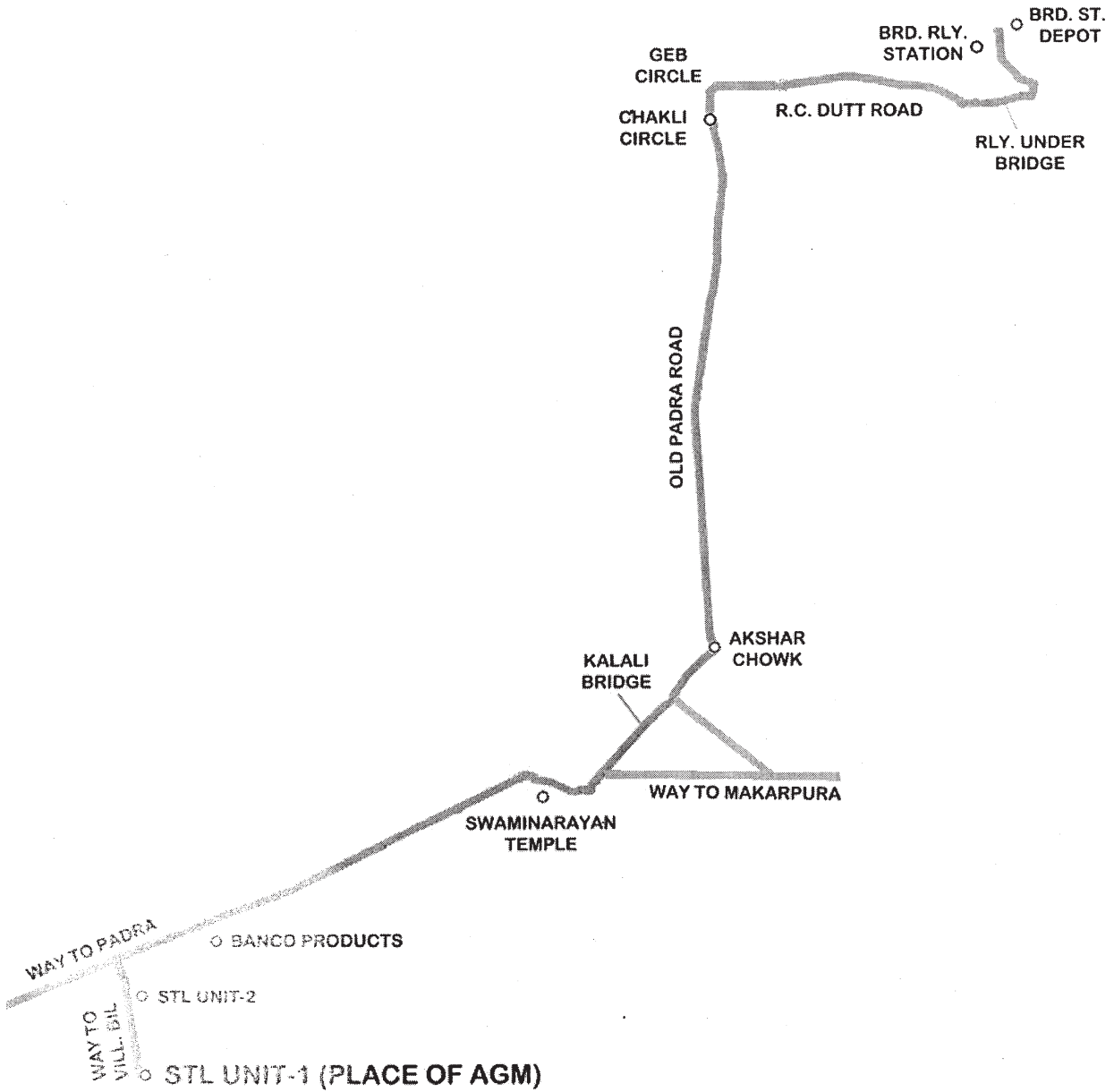
Jitendra Shah  
Chairman  
DIN - 00257348

Prajesh Purohit  
Chief Financial Officer

Place: Vadodara  
Date: 28th May 2018



**MAP TO REACH PLACE OF AGM  
AT SHILCHAR TECHNOLOGIES LTD. (STL)**





**SHILCHAR  
TECHNOLOGIES LIMITED**

CIN : L29308GJ1986PLC008387

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