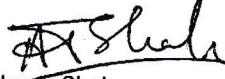
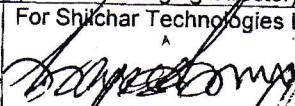
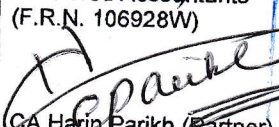



SHILCHAR TECHNOLOGIES LIMITED



ANNUAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

| | | |
|----|---|--|
| 1. | Name of the Company | : Shilchar Technologies Limited Scrip Code / Symbol : BSE: 531201 |
| 2. | Annual Financial Statements for the year ended | : 31 st March, 2017 (2016 - 2017) |
| 3. | Type of Audit Observation | : Unqualified |
| 4. | Frequency of Observation a. Whether appeared first time b. Repetitive c. Since how long period | : Not Applicable --- --- --- |
| 5. | To be signed by | : |
| | CEO / Managing Director | : For Shilchar Technologies Limited  Alay J. Shah (CEO & Managing Director) |
| | CFO | : For Shilchar Technologies Limited  Prajesh Purohit CFO |
| | Auditor of the Company | : For Naresh & Co. Chartered Accountants (F.R.N. 106928W)  CA Harin Parikh (Partner) Membership No.107606 |
| | Audit Committee Chairman | : For Shilchar Technologies Limited  Mukesh D. Patel (Chairman-Audit Committee) |

REGD. OFFICE & WORKS: BIL ROAD, BIL 391 410, DIST.VADODARA. INDIA.
PHONE: (0265) 268 0466, 268 0566 FAX: (0265) 268 0611
E-MAIL: info@shilchargroup.com WEBSITE: shilchargroup.com

CIN: L29308GJ1986PLC008387





ANNUAL REPORT 2016-2017



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. Mauli Bhatt | Company Secretary |

BANKERS

Bank of Baroda

AUDITORS

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

REGISTERED OFFICE

CIN : L29308GJ1986PLC008387
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

REGISTER & TRANSFER AGENT

M/s. MCS Share Transfer Agency Limited
CIN : U67120WB2011PLC165872
2nd Floor, 10, Aram Apartment,
12, Sampatrao Colony, Alkapuri,
Vadodara - 390 007, Gujarat
Ph. No. : 0265-231 4757 Fax No. : 0265-235 0490
Email : mcsltbaroda@gmail.com

| TABLE OF CONTENTS | PAGE |
|-----------------------------|------|
| NOTICE | 1 |
| DIRECTOR'S REPORT | 12 |
| AUDITOR'S REPORT | 46 |
| BALANCE SHEET | 52 |
| PROFIT & LOSS ACCOUNT | 53 |
| CASH FLOW STATEMENT | 54 |
| NOTES TO ACCOUNTS | 55 |
| PROXY - FORM | 9 |



NOTICE

NOTICE is hereby given that the Thirty First (31st) 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 Friday, the 11th day of August, 2017 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 31st March, 2017 including the Balance Sheet as at March 31, 2017 and the Statement of Profit of Loss and Cash Flow 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 31st March, 2017.
3. To appoint a Director in place of Mr. Jitendra C. Shah (DIN 00257348), who retires by rotation and being eligible, offers himself for re-appointment.
4. Appointment of Statutory Auditors to consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. M/s.CNK & Associates LLP., Chartered Accountants, Vadodara having ICAI Firm Registration No101961W/W-100036, who have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company for term of 5 years and to hold office from the conclusion of this Annual General Meeting until the conclusion of the 36th Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors.”

Special Business:

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

RESOLVED THAT in accordance with provisions of Sections 2(54), 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and subject to such other consent(s), approval(s) and permission(s) as may be required in this regard from any authority and on recommendation of Nomination and Remuneration Committee and as agreed by the Board of Directors, the approval of members of the Company be and is hereby accorded for re-appointment of Mr. Alay J. Shah (DIN: 00263538) as Managing Director of the Company with effect from 1st October, 2017 for a period of 5 (five) years on the terms and conditions as set out in the explanatory statement annexe hereto.

RESOLVED FURTHER THAT subject to the provisions of sections 2(54), 196, 197, 198, 201 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof) and subject to approval of the Central Government, and on recommendation of Nomination and Remuneration Committee and as agreed by the Board of Directors, consent of the Company be and is hereby accorded for payment of remuneration of Rs. 15 lacs per month to Shri Alay J. Shah, Managing Director of the Company with effect from 1st October, 2017 for a period for 3 years, which exceeds ceilings as provided in Section 197 and Section II (A) of Part II of Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to increase, alter and/or vary the remuneration and perquisites including the monetary value thereof as may be permitted or authorised in accordance with the provisions of the Companies Act, 2013, for the time being in force, provided, however, that the remuneration payable to Mr. Alay J. Shah, Managing Director (DIN: 00263538) shall be within the limits as prescribed in Schedule V of the Companies Act, 2013 or within limits approved by the Central Government.”

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

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



“RESOLVED THAT pursuant to 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 service tax to Cost Auditors of the Company M/s. K H Shah & Co, Cost Accountants, Vadodara for the F.Y. 2017-2018.

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**

ALAY SHAH
MANAGING DIRECTOR
DIN: 00263538

Place: Bil, District Vadodara
Date: 06.05.2017

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. Jitendra C. Shah | Mr. Alay J Shah |
| Date of Birth | 16.09.1937 | 04.07.1966 |
| Date of Appointment | 30.07.2003 | 30.07.2003 |
| Expertise in Specific Functional Area | Finance & Marketing | Production, Finance, Marketing & Administration |
| Qualifications | MA | BS (Electronics Engineering Technology) |
| Directors in other public limited companies | NIL | Nil |
| Other positions | NIL | Nil |
| Membership of committees in other public limited companies | NIL | Nil |
| Inter relationship | He is a Chairman and relative of Mr. Alay J Shah, Managing Director | He is a Managing Director and relative of Mr. Jitendra C. Shah, Chairman |
| Shares held in the company | 100 Shares | 1045416 shares |

NOTES:

1. The Register of members and Share Transfer Books of the Company will remain closed from 05/08/2017 to 11/08/2017 (both days inclusive) for annual closing and determining the entitlement of shareholders to the final dividend for 2017.
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. Jitendra C. Shah, Non-Executive Chairman 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 31st March, 2017, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 05/08/2017 and in respect of shares held in dematerialised form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on 05/08/2017. The dividend warrants will be posted on or about 09/09/2017.
 - 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 02nd 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 31.03.2010 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 September, 2017. Members who have not yet encashed 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), as also on the website of the IEPF viz. (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.
15. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of transferee(s), surviving holder(s), legal heirs(s) and joint holder(s) respectively, along with necessary document at the time of lodgment of request for transfer/ transmission / transposition, is mandatory.
16. 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.) and all working days except Sundays, upto and including the date of Annual General Meeting of the Company.
17. 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 31st General Meeting of the Company dated 11/08/2017 (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 31st 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 05/08/2017 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. 05/08/2017 only.

The instructions for shareholders voting electronically are as under:-

The voting period begins on Tuesday, 08/08/2017 at (IST 10.00 a.m.) and ends on Thursday, 10/08/2017 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. 05/08/2017, (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.

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 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:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| 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 OR 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). |

(ix) 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 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.
 - ❖ 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 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, under help section or write an email to helpdesk.evoting@cdslindia.com.

General:

- (a) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (b) Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (c) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 05/08/2017.
- (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 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. 6 of the Notice:

Item no. 5

The tenure of Shri Alay J Shah as Managing Director expires on 30.09.2017. Board of Directors at their meeting held on 06.05.2017 made re-appointment of Shri Alay J. Shah as Managing Director of the Company from 01.10.2017 to 30.09.2022. Shri Alay J. Shah is son of Mr. Jitendra Shah, the Chairman and founder Director of the Company. He has been associated with the Company as one of the Promoter Directors since its incorporation. He is a bachelor of science with specialization in electronics and possesses more than 25 years of experience in the various areas of business including production, finance, marketing and administration. Shri Alay J. Shah has been shouldering the responsibility of Managing Director since 1991. During his tenure, the Company has, year after year, achieved sizeable turnover, profitability and also continuous dividend payout since 2005-06. In addition to looking after and monitor day to day affairs, he is instrumental and played a pivoted role in introducing "Green Transformers" for renewable energy sector. Although Indian Transformer Industry has been facing challenging time for quite some time, but with his untiring efforts and business acumen he has eventually put the Company on the path of growth and success and produced substantial improvement in the turnover and profitability. He currently oversees manufacturing activities, projects, international sales, materials management and corporate finance of the Company. The varied experience, leadership qualities and excellent managerial capability will continue to contribute to the growth of the Company. In view of his excellent leadership and contribution to the growth and performance of the Company, the Nomination and Remuneration Committee and the Board of Directors at their respective Meetings held on 06.05.2017 approved with same remuneration as per previous contract to Shri Alay Shah, Managing Director subject to approval of the Central Government for tenure of 01.10.2017 to 30.09.2022.

The Company will make application to the Central Government under the provisions of Companies Act, 2013 for approval of proposed remuneration approved by the members of the Company. The Company has received approval from the Ministry of Corporate Affairs for payment of managerial remuneration of Rs. 15 lacs per month for current remaining tenure of 01.04.2017 to 30.09.2017.

The terms of appointment and remuneration of Shri Alay Shah, Managing Director are as under:

Tenure of Appointment:

From 01.10.2017 to 30.09.2022.

Overall Remuneration:

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

Minimum Remuneration:

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

Entrusted Duties:

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

Confidentiality:

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

Liable to Retire by Rotation:

During his tenure as Managing Director of the Company, the office of Shri Alay Shah shall be reckoned for the purpose of arriving Directors liable to retire by rotation.

Sitting Fees:

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

Re-imbursement of Expenses, Costs etc.:

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



Termination:

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

Arbitration:

Disputes to be settled by arbitration.

The copy of the draft Agreement as referred to in the resolution will be available for inspection by the members at the Registered Office of the Company on all working days between 10.00 a.m. to 1.00 p.m. except Saturdays and holidays. Shri Alay Shah holds 1045416 equity shares of the Company.

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

General Information:

| | | |
|----|---|--|
| 1) | Nature of Industry | Manufacturing of "Distribution and Power Transformers" as well as "Electronics and Telecommunication Transformers". |
| 2) | Date of Commencement of Commercial Production | 1988 for E & T Transformers & 2005 for D & P Transformers. |
| 3) | Financial Performance for the Financial Year ended 31.03.2017 | Turnover: Rs.10,918.76 lacs, Net Profit: Rs.1,226.35 lacs, Debt Equity Ratio: 0.08, Current Ratio : 1:74, Net worth: Rs.4984.89 lacs |
| 4) | Export Performance | Rs.4436.42 lacs |
| 5) | Foreign Investment or Collaboration | Nil |

Information about the Appointees:

Shri Alay J Shah has been associated with the Company as one of the Promoter Directors since its incorporation. He is a bachelor of science with specialization in electronics and possesses more than 25 years of experience in the various areas of business including production, finance, marketing and administration.

Reorganization of Awards:

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

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

Job Profile and Suitability:

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

Remuneration Proposed:

Shri Alay Shah, Managing Director, shall be paid consolidated same remuneration as per previous contract by way of Salary, perquisites and Allowance, subject to approval of the Central Government.

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

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

Sitting Fees:

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

Re-imbursment of Expenses, Costs etc.:

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



Comparative Remuneration, Profile with respect of Industry:

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

Pecuniary Relationship:

Shri Alay Shah is related to Shri Jitendra Shah, Chairman of the Board.

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

The Board of Directors feels that aforesaid revision of terms of remuneration of Mr. Alay J. Shah as Managing Director is in the interest of the Company and therefore, recommends the resolution set out at item no. 5 of this notice.

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

Item no. 6

As per the Cost Audit Rule 3A (IV) which are notified by the Ministry of Corporate Affairs on 30th June, 2014, the same is applicable to the Company and accordingly the Company is required to keep the Cost Records on or after the 1st 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 06.05.2017 considered and approval the said proposal to appoint M/s. K H Shah & Co., as Cost Auditors of the Company for the F.Y. 2017-2018 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: 06.05.2017

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 31st Annual General Meeting to be held on Friday, 11th August, 2017, 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 31.03.2017.
2. Approval of Final Dividend for the year ended 31.03.2017.
3. Re-appointment of Mr. Jitendra C. Shah who retires by rotation.
4. Appointment of M/s CNK & Associates LLP, Chartered Accountants, Vadodara as Auditors and fixing their remuneration.

Special Business:

1. Re-appointment of Mr. Alay Shah as Managing Director- Special Resolution
2. Approval of remuneration of Cost Auditors for FY 2017-18.

In this 6th day of May, 2017

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 | | SHILCHAR TECHNOLOGIES LIMITED |
| 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 |
| Sr.No | Particulars | Details |
| 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.

| No. | Item No. | No. of shares held by me | I assent to the resolution | I dissent to the resolution |
|--------------------------|--|---------------------------------|-----------------------------------|------------------------------------|
| 1 | To receive, consider and adopt the Audited Financial Statement including Consolidated Financial Statement comprising the Balance Sheet as at March 31, 2017 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. Jitendra C. Shah who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution). | | | |
| 4 | To appoint M/s. CNK & Associates LLP, , Chartered Accountants as Auditors of the Company and authorize the Board of Directors to fix their remuneration (Ordinary Resolution) | | | |
| SPECIAL BUSINESS: | | | | |
| 5 | To make re-appointment of Mr. Alay Shah, Managing Director (Special Resolution) | | | |
| 6 | To approve remuneration to Cost Auditors (Ordinary Resolution) | | | |

Date : 06.05.2017
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
e-mail: info@shilchargroup.com

ATTENDANCE SLIP

Name of the Member(s):

Registered address:

E-mail ID:

Folio No/DP ID-Client ID:

Number of Shares held:

I/We certify that I am a member / proxy of the Company.

I hereby record my presence at the 31st Annual general Meeting of the Company to be held at its registered office at 10.00 a.m. on Friday, 11th day of August, 2017.

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 2016-17 for the meeting.



BOARD'S REPORT

Your Directors have pleasure in presenting the 31st Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31st March 2017.

1. FINANCIAL RESULTS:

| | [Rupees in Lacs] | |
|--|------------------|----------------|
| | 2016-17 | 2015-16 |
| Revenue from Operations | 10,918.76 | 10,164.30 |
| Other Income | 336.41 | 298.25 |
| Total Revenue | 11,255.17 | 10,462.55 |
| Less: Expenses before Interest and Depreciation | 9,172.90 | 8,841.20 |
| Less: (a) Interest | 50.52 | 75.23 |
| (b) Depreciation | 136.38 | 139.39 |
| Profit before Tax & Extra Ordinary Items | 1,895.37 | 1,406.73 |
| Add: Excess Provision for Expenses Written Back | 4.43 | 1.69 |
| Less: Prior year's Income Tax Adjustment | - | - |
| Profit Before Tax | 1,899.80 | 1408.42 |
| Less: Tax Expenses | | |
| Current Tax | 688 | 505 |
| Deferred Tax | (14.54) | (5.80) |
| Profit after Tax | 1,226.34 | 909.22 |
| Balance brought forward from previous year's amount available for appropriation | 2,773.14 | 1977.02 |
| Balance available for appropriation | 3,999.48 | 2886.24 |
| Adjustments as per Transitional Provisions of Schedule II to the Companies Act, 2013 | | |
| Add : Adjustments (Net) to carrying cost of assets | 1.64 | 1.64 |
| | 4,001.12 | 2887.88 |
| APPROPRIATION | | |
| Interim Dividend & Corporate Dividend Tax on it. | - | 91.79 |
| Proposed Final Dividend on Equity Share | - | 19.07 |
| Corporate Dividend Tax on above | - | 3.88 |
| Balance Carried over to next year | 4001.12 | 2773.14 |

2. DIVIDEND:

Your Directors have recommended a final dividend of Rs. 3/- per share (i.e. 30%) 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.1,14,40,200/- plus dividend distribution tax of Rs.23,28,996/-.

3. OPERATIONAL HIGHLIGHTS AND PROSPECTS:

The Company earned operational income of Rs. 10,918.76 lacs compared to Rs.10,164.30 lacs for the previous year. The other income is Rs.336.41 lacs compared to Rs.298.25 lacs in the previous year.

The total revenue for the year is Rs.11,255.17 lacs against Rs.10,462.55 lacs in the previous year. Profit after tax is Rs.1,226.35 lacs as compared to previous year figure of Rs.909.22 lacs, witness a spur of 34.87%

During the period under review, your company was able to export transformers valuing Rs. 44.36 crores as compared to previous year Rs.29.22 crores.

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.



PROSPECTS:

The current economic scenario shows positive signal of growth in power production sector, cement sector, construction, service sectors etc. Moreover, tax benefits have been linked to the wind energy and subsidies have been provided to solar power generation. This will boost Company's domestic sales in coming year. 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.

4. ACCREDITATION:

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

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

5. CREDIT FACILITIES

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 02.10.2016 to the Investor Education and Protection Fund established by the Central Government. Pursuant to the provisions of Section 125 of the Companies Act, 2013, during the year the Company is under process of transferring 16507 Equity 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, 2017 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 or investments 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.

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 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. Jitendra C. Shah, non-executive Chairman 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 Company made an application to Central Government, Ministry of Corporate Affairs for increase of managerial remuneration payable to Mr. Alay J Shah, Managing Director. The Central Government vide its email dated 01.05.2017 accorded increase of remuneration as under: The payment of a total remuneration of Rs.37,80,000/- (Rupees Thirty Seven Lac and Eighty Thousand Only) for the period of from 01/04/2016 to 11/09/2016, Rs. 92,52,000/- (Rupees Ninety Two Lac and Fifty Two Thousand Only) for the period from 12/09/2016 to 31/03/2017 and Rs. 90,00,000/- (Rupees Ninety Lac Only) for the period from 01/04/2017 to 30/09/2017.

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, 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 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.

20. AUDITORS

20.1 STATUTORY AUDITORS

The Company's Auditors M/s. Naresh & Co, Chartered Accountants, Vadodara will retire at ensuring Annual General Meeting of the Company. In terms of section 139 to 141 of the Companies Act, 2013 and the Rules framed thereunder, it has been proposed to make appointment of M/s.CNK & Associates LLP, Chartered Accountants, as Auditors of the Company to hold the office from the conclusion of ensuing Annual General Meeting until conclusion of 36th Annual General Meeting. As required under Listing Regulations, 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.

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 is no qualifications, reservations or adverse remarks made by the Auditors.

22. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal 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. 1,35,83,864/- |
| Nature of Employment, whether contractual / otherwise | Permanent |
| Qualification and experience of the Employee | 25 years |
| Date of commencement of employment | 1990 |
| The age of the employee | 50 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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 | Ratio of remuneration of each Director / to median remuneration of employees |
|---------|--|---|--|
| 1. | Mr. Alay Shah, Managing Director | 73.68% | 80.68:1 |
| 2. | Mr. Prajesh Purohit, Chief Financial Officer | 7.59% | 4.98:1 |
| 3 | Ms. Mauli Bhatt, Company Secretary | 0% | 1:1 |

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 1.68 lacs.
- iii) In the financial year, there was decrease of 10.64 % in the median remuneration of employees;
- iv) There were 100 permanent employees on the rolls of Company as on March 31, 2017
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 9% whereas the increase in the managerial remuneration for the same financial year was 73.68%.
- vi) Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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 2016-17.



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 2016- 17 and hence, no complaint is outstanding as on March 31, 2017 for redressal.

30. 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: 06.05.2017

**JITENDRA SHAH
CHAIRMAN**



Annexure - 1 to the Director's Report 2016-17

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31st March, 2017

| Sr. No. | Particulars | | |
|------------|--|----------------|----------------|
| [A] | Conservation of Energy: | | |
| (a) | Energy conservation measures taken: | | |
| 1. | Application of Gas based Ovens. | | |
| 2. | The lighting changed to Picture Tube Lights (PL) | | |
| 3. | The Company set up a wind mill project to generate eco friendly electricity, being used for captive consumption. | | |
| 4. | The numbers as well as capacity of capacitors changed to achieve improved power factor. | | |
| 5. | The consumption of Diesel is under close supervision. | | |
| 6. | Putting thrust on developing energy efficient transformers. | | |
| (b) | Additional investments and proposals if any, being implemented for reduction of consumption of energy: NIL | | |
| (c) | Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Saving in power cost | | |
| (d) | Total energy consumption and energy consumption per unit of production as per prescribed Form A: | | |
| A. | Power & Fuel Consumption | 2016-17 | 2015-16 |
| 1. | Electricity: | | |
| a) | Purchased | | |
| | Unit | 616,629 | 680,509 |
| | Total Amount (in Rs.) | 4,590,154 | 4,957,411 |
| | Rate/ Unit | 7.44 | 7.28 |
| b) | Own Generation: | | |
| i) | Through Diesel Generator | | |
| | Diesel Qty (in Ltr) | 1,529 | 1,249 |
| | No. of Units Generated | 5,352 | 4,373 |
| | Total Amount (in Rs.) | 92,518 | 65,000 |
| | Unit per Ltr of Diesel Oil | | |
| | Total Cost per Unit | | |
| ii) | Through Steam | Nil | Nil |
| | Turbine/ Generator | --- | --- |
| | Unit | --- | --- |
| | Units per Ltr. of Fuel Oil/ Gas | --- | --- |
| 2. | Coal (Specify quantity and - where used) | NIL | NIL |
| 3. | Furnace Oil: | | |
| | Quantity in Liters | NIL | NIL |
| | Total Amount | NIL | NIL |
| | Average Rate/ Liter | NIL | NIL |



| | | | |
|-----------|------------------------|-----------|-----------|
| 4. | Others: | | |
| a) | Light Diesel Oil: | | |
| | LDO Consumed in Liters | NIL | NIL |
| | Total Amount | NIL | NIL |
| | Average Rate/ Liter | NIL | NIL |
| b) | Wind Generation: | | |
| | Generated Units | 450,624 | 402,276 |
| | Total Amount | 3,228,750 | 2,638,279 |
| | Average Rate/ Unit | 7.16 | 6.55 |

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 31.03.2017, the Company spent Rs.31.56 lacs on R & D activities, being 0.28% of its total turnover, as compared to Rs.27.88 lacs, being 0.27% 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 | 2016-17 | 2015-16 |
|---------|-------------------------------------|-------------|-------------|
| 01. | Earning from Export during the year | 432,705,236 | 288,149,821 |
| 02. | Outgo: | | |
| | a) CIF value of Imports | 7,801,845 | 12,424,199 |
| | b) Expenditure in foreign currency | 5,290,173 | 3,140,975 |
| | c) Traveling | 1,236,637 | 2,087,986 |

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

Place: Bil, District Vadodara
Date: 06.05.2017

**JITENDRA SHAH
CHAIRMAN**



ANNEXTURE II TO DIRECTOR'S REPORT

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.

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.481.38 lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
The Company is required to spend Rs.9.63 lacs towards CSR for the FY 2016-17.

5. Details of CSR spend for the financial year 2016-17:

a. Total amount spent for the financial year: Rs.20.38 lacs

b. Amount unspent, if any: Nil

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 reporting period | Amount Spent Direct / through implementing agency |
|---------|----------------------|--------|--------------------------|-------------------------------------|-----------------------------------|--|---|
| 1 | Education | Trust | Mathura | 7 | 7 | 7 | Direct |
| 2 | Hospital | Trust | Vadodara | 4 | 4.38 | 4.38 | Direct |

6. Reasons for not spending: - not applicable
7. We hereby confirms 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 Mukesh Patel
Chairman of the Committee Director
Place: Vadodara
Date: 6th May, 2017



ANNEXTURE 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 | 01.04.2016 to 31.03.2017 | 01.04.2016 to 31.03.2017 | 01.04.2016 to 31.03.2017 | 01.04.2016 to 31.03.2017 | 01.04.2016 to 31.03.2017 | 03.11.2016 to 31.03.2017 |
| 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-imbursement of electricity bills. | Working as Manager (Operations). Salary of Rs. 60,000/- per month. | Orders worth Rs.345.58 lacs given during the FY 2016-17. | 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: 06.05.2017

JITENDRA SHAH
CHAIRMAN



Form No. MGT-9

Annexure-IV EXTRACT OF ANNUAL RETURN

as on the financial year ended on **31.03.2017**

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

I. REGISTRATION AND OTHER DETAILS:

| | | | |
|------|---|---|--|
| 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: mcsitdbaroda@gmail.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

[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) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| 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 | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| 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 |
| Sub-total (A) (1):- | 2,511,075 | Nil | 2,511,075 | 65.85 | 2,511,075 | Nil | 2,511,075 | 65.85 | Nil |
| (2) Foreign | | | | | | | | | |
| 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 |
| Sub-total (A) (2):- Total Shareholding of Promoter (A) = (A)(1)+(A)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| 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) FIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | 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 |
| Sub-total (B)(1):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 56,554 | 500 | 57,054 | 1.49 | 34,659 | 500 | 35,159 | 0.92 | 0.57 |
| ii) Overseas | 430,799 | Nil | 430,799 | 11.30 | 356,853 | Nil | 356,853 | 9.36 | 1.94 |
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh | 167,872 | 45,500 | 213,372 | 5.58 | 259,304 | 43,800 | 303,104 | 7.95 | 2.37 |



| | | | | | | | | | |
|---|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------|
| ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh | 13,040 | 15,000 | 28,040 | 0.73 | 28,040 | NIL | 28,040 | 0.74 | NIL |
| c) Others (Specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Foreign Individual | 564,867 | 1400 | 566,267 | Nil | 565,246 | 1,400 | 566,646 | 14.86 | Nil |
| HUF | 6,793 | Nil | 6,793 | 0.18 | 12,523 | Nil | 12,523 | 0.33 | 0.15 |
| Trust & Foundation | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (B)(2):- | 1,239,925 | 62,400 | 1,302,325 | 34.15 | 1,256,625 | 45,700 | 1,302,325 | 34.15 | NIL |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 1,239,925 | 62,400 | 1,302,325 | 34.15 | 1,256,625 | 45,700 | 1,30,2325 | 34.15 | NIL |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 3,751,000 | 62,400 | 3,813,400 | 100.00 | 3,767,700 | 45,700 | 3,813,400 | 100.00 | Nil |

(ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year – 01.04.2016 | | | Shareholding at the end of the year – 31.03.2017 | | | % 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 | 1,234,170 | 32.36 | NIL | 1,045,416 | 27.41 | NIL | 4.95% |
| 2. | Shipa Alay Shah | 401,970 | 10.54 | NIL | 401,970 | 10.54 | NIL | No Change |
| 3. | Aatman Alay Shah | 300,000 | 7.87 | NIL | 394,382 | 10.34 | NIL | 2.47% |
| 4. | Aashay Alay Shah | 300,010 | 7.87 | NIL | 394,382 | 10.34 | NIL | 2.47% |
| 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 |
| | Total | 2,511,075 | 65.85 | | 2,511,075 | 65.85 | | |

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

| Sr. No. | Particulars | Shareholding at the beginning 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 | Alay J Shah | | | | |
| 1. | At the beginning of the year | 1,234,170 | 32.36 | 1,234,170 | 32.36 |
| 2. | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Inter se transfer on 24.03.2017 | 188,754 | 4.95 | 1,045,416 | 27.41 |
| 3. | At the end of the year | 1,045,416 | 27.41 | 1,045,416 | 27.41 |
| 2. | Aatman Alay Shah | | | | |
| 1. | At the beginning of the year | 300,000 | 7.87 | 300,000 | 7.87 |
| 2. | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Inter se transfer on 24.03.2017 | 94,382 | 2.47 | 394,382 | 10.34 |
| 3. | At the end of the year | 394,382 | 10.34 | 394,382 | 10.34 |
| 3 | Aashay Alay Shah | | | | |
| 1. | At the beginning of the year | 300,010 | 7.87 | 300,010 | 7.87 |
| 2. | Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Inter se transfer on 24.03.2017 | 94,372 | 2.47 | 394,382 | 10.34 |
| 3. | At the end of the year | 394,382 | 10.34 | 394,382 | 10.34 |

(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 |
| | For Each of the Top 10 | | | | |
| 1. | Shah Family LLC | 326,204 | 08.55 | 394,382 | 10.34 |
| 2. | Raju Kirti Shah | 186,850 | 4.90 | 186,850 | 4.90 |
| 3. | Kirtikant Parshotamdas Shah | 186,850 | 4.90 | 186,850 | 4.90 |
| 4. | Ravi Kirti Shah | 186,850 | 4.90 | 186,850 | 4.90 |
| 5. | Custom Magnetics Inc | 30,649 | 0.80 | 30,649 | 0.80 |
| 6. | Chirag Surendrabhai Shah | 28,040 | 0.73 | 28,040 | 0.73 |
| 7. | Sahaj Pravinbhai Dave | 14,217 | 0.37 | 14,217 | 0.37 |
| 8. | Nimis Savailal Sheth | 12,500 | 0.32 | 12,500 | 0.32 |
| 9. | Alok Lodha | 10,274 | 0.27 | 10,274 | 0.27 |
| 10. | Anup Kothari | 10,000 | 0.26 | 10,000 | 0.26 |



(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. |
|--|----------------------------------|-----------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| 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 |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |
| Change in Indebtedness during the financial year | | | | |
| - Addition | 40,797,047 | Nil | Nil | 40,797,047 |
| - Reduction | Nil | Nil | Nil | Nil |
| Net Change | 40,797,047 | Nil | Nil | 40,797,047 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount (Working Capital) | 40,797,047 | Nil | Nil | 40,797,047 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | 40,797,047 | Nil | Nil | 40,797,047 |

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 | 13,555,064/- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 28,800/- |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | NIL |
| 2. | Stock Option | NIL |
| 3. | Sweat Equity | NIL |
| 4. | Commission- as % of Profit- Others, Specify..... | NIL |
| 5. | Others, please specify | NIL |
| | Total (A) | 13,583,864/- |



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 (wef 14/03/2016) |
| 1. | Fee for attending Board / Committee Meetings | 105,000/- | 20,000/- | 105,000/- | 80,000 |
| 2. | Commission | Nil | Nil | Nil | Nil |
| 3. | Others, please specify... Consultancy / Professional Fees | Nil | Nil | Nil | Nil |
| | Total Amount in Rs. | 105,000/- | 20,000/- | 105,000/- | 80,000/- |
| | Total B (1) | | | | |

2. Other Non-Executive Director

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

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 (Amount in Rs.) |
| 1. | Gross Salary | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 835,918/- | 168,000/- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | Nil | Nil |
| 2. | Stock Option | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil |
| 4. | Commission- as % of Profit- Others, specify.... | Nil | Nil |
| 5. | Others, please specify | Nil | Nil |
| | Total | 835,918/- | 168,000/- |



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) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |

FOR SHILCHAR TECHNOLOGIES LIMITED

**ALAY SHAH
M. D.
DIN: 00263538**

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

**Date: 06.05.2017
Place: Vadodara**



Annexure-IV

Secretarial Audit Report

(For the Financial year ended on 31st March, 2017)

[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 31st March, 2017, 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 31st 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.

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 197 of the Act for increase in terms of remuneration of Shri Alay J. Shah, Managing Director of the Company for remaining tenure of his appointment from 01.04.2016 to 30.09.2017.

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

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

Place: Vadodara
Date: May 6, 2017

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 6, 2017

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 6, 2017**



Annexure-VI to the Director's Report 2016-17

Management Discussion and Analysis

a) Industry Structure and Developments

The government intends to add massive capacity to the generation side and create a National Grid for distribution of this power, both of which should boost demand for transformers. 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 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. The industry is capable of catering the demand or requirement of domestic market and the export requirements.

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

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. Pre qualifications with all SEBs is lengthy and cumbersome process.

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 25,000 KVA. The Company also manufactures solar and windmill transformers for renewable energy sector.

e) Outlook

Indian transformer manufacturers witnessed improvement in financial performance in FY15, with moderation in raw material prices and revival in order inflows. Amidst a few early signs of revival in performance and expected pick-up in demand, the outlook is expected to be stable in near to medium term. CARE believes that planned investments in power sector, replacement demand, export potential and development of inter-regional capacity is likely to sustain the demand of transformers in near to medium term. With the continuous support from the government to promote the power transformer industry through investments, tax benefits, subsidies etc. will help the industry to grow over the coming years. 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. High failure rate of distribution transformers is a big concern for the transformer industry in India. The average operational life of a transformer is between 25 to 30 years; however, transformers are known to be recalled for repair in as early as three years. The failure rate of distribution transformers in India is estimated at 10-15 percent (in stark contrast to the less than 2 percent failure rate in developing countries).

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 Rs10,918.76 lacs compared to Rs.10,164.30 lacs for the previous year. The other income is Rs.336.41 lacs compared to Rs.298.25 lacs in the previous year. The total revenue for the year is Rs.11,255.17 lacs against Rs.10,462.55 lacs in the previous year. Profit after tax is Rs.1226.35 lacs as compared to previous year figure of Rs.909.22 lacs, witness a spur of 34.87%. During the period under review, your company was able to export transformers valuing Rs.44.36 crores as compared to previous year Rs.29.22 crores. 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 100. 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:

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

2. Board of Directors:

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

Your Board of Directors closely monitors the performance of the Company and its Management, 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 31st March, 2017, the Board of Directors had 6 (six) members that includes one woman director. The Board comprises of 6 (six) 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 |
|---|-------------------------|--------------------------|
| 25.04.2016 | 06 | 6 |
| 13.08.2016 | 06 | 5 |
| 26.10.2016 | 06 | 5 |
| 04.02.2017 | 06 | 4 |

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 |
|-----------------------|--------------------------------------|------------------|------------------|------------------|-----------------|--|
| | 25.04.2016 | 13.08.2016 | 26.10.2016 | 04.02.2017 | % of Attendance | |
| Mr. Jitendra C. Shah | √ | √ | √ | √ | 100 | √ |
| 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 | 05 | 02 | 04 |
| Mr. O. P. Khanna Independent Director | 02 | NIL | NIL |
| Mr. Zarksis J. Parabia Independent Director | 02 | NIL | NIL |
| Mrs. Reshma Patel Independent Director | 01 | 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 80 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 50 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 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. Omprakash P. Khanna

Mr. Omprakash P. Khanna, aged 78 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 67 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 56 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 43 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 31.03.2017 and details of the Members participation at the Meetings of the Committee are as under:

As on 31st March 2017, 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 1st April, 2016 to 31st March, 2017. The attendance of each Member of the Committee is given below:

| Name of Director | Category | Attendance at Audit Committee Meetings held on | | | | % of Attendance |
|-----------------------|----------------------|--|------------|------------|------------------|-----------------|
| | | 25.04.2016 | 13.08.2016 | 26.10.2016 | 04.02.2017 | |
| Mr. Mukesh D. Patel | Independent Director | √ | √ | √ | √ | 100 |
| Ms. Reshma Patel | Independent Director | √ | √ | √ | √ | 100 |
| Mr. Zarksis J Parabia | Independent Director | √ | √ | √ | Leave of Absence | 75 |

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 31.03.2017 and details of the Members participation at the Meetings of the Committee are as under:

As on 31st March, 2017, 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 25.04.2016 | % of Attendance |
|-----------------------|----------------------|---|-----------------|
| Ms. Reshma Patel | Independent Director | √ | 100 |
| Mr. Jitendra Shah | Promoter Director | √ | 100 |
| 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 1st 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 | 13,555,064 | 28,800 | NIL | 7000 | NIL | 13,583,864 |
| 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 | 80,000 | | NIL | 80,000/- |

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 / Wholtime 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 06/05/2017.

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 under investors/ policy documents / independent directors' letters link.

Performance Evaluation of non-executive and Independent Directors

The Board has commenced evaluating the performance of Non-executive and Independent Directors for the financial year ended on 31/03/2017 and onwards. 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 26/10/2016 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 31st March, 2017, 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, 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 31.03.2017 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 |
|----------------------|----------------------|--|------------|------------|------------------|-----------------|
| | | 25.04.2016 | 13.08.2016 | 26.10.2016 | 04.02.2017 | |
| Mr. Mukesh D. Patel | Independent Director | √ | √ | √ | √ | 100 |
| Mr. Jarksis Parabia | Independent Director | √ | √ | √ | Leave of Absence | 75 |
| Mrs. Reshmaben Patel | Independent Director | √ | √ | √ | √ | 100 |

(c) Shareholder's Services:

| Sr. No. | Nature of Complaints | 2016-17 | | 2015-16 | |
|---------|--|----------|----------|----------|----------|
| | | 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) |
|---------|------------|--|------------|--|
| 2013-14 | 14/08/2014 | Shilchar Technologies Limited Bil Road, Bil 391 410 District Vadodara. | 3.00 p.m. | Reappointment of Shri Alay Shah as Managing Director |
| 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 |

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) | |
|---------|-------------------------------------|---|---|----------------------|---------------|
| | | | | 2016-17 | 2015-16 |
| 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.17.25 lacs | Rs.12.80 lacs |
| 3. | Mrs. Shilpa Shah | Related to Mr. Alay Shah, MD | Rent Agreement for occupying her Flat at Mumbai | Nil | Rs.09 lacs |
| 4. | Mr. Aashay Alay Shah | Related to Mr. Alay Shah, MD | Employment | Rs.7.13 lacs | Rs.6.79 lacs |
| 5. | Prowess Engineering Private Limited | Mr. Alay Shah, MD is holding Directorship | Purchase of Tanks | Rs.345.58 lacs | Rs.336.50 |
| 6. | Mr. Aatman Alay Shah | Related to Mr. Alay Shah, MD | Employment | Rs.2.76 lacs | NA |

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.

(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 it his, 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 | : | www.shilchargroup.com |
| (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) | 31 st AGM's Date, Time and Venue | : | Friday, 11 th August, 2017 at 10.30 a.m. at Shilchar Technologies Limited, Bil Road, Bil, District Vadodara - 391 410. |
| (b) | Financial calendar | : | i. April 2017 to March 2018 |
| | | : | ii. First Quarter 2017 Results – on or before 15 th August, 2017 |
| | | : | iii. Second Quarter/ Half yearly Results 2017 – on or before 15 th November, 2017 |
| | | : | iv. Third Quarter 2017 Results – on or before 15 th February, 2018 |
| | | : | v. Audited Results for the Fourth Quarter/ Year ending 31 st March 2018, - on or before 31 st May, 2018. |
| (c) | Date of Book closure | : | 05/08/2017 to 11/08/2017 (both days inclusive) |
| (d) | Dividend Payment date | : | On or after 11/08/2017 , if declared at Annual General Meeting on 11/08/2017 |
| (e) | Listing on Stock Exchange. | : | The Company has paid Listing Fees for the period 1 st April, 2017 to 31 st March 2018 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 2016-17 at the Stock Exchange, Mumbai were as under.</p> <table border="1" data-bbox="683 286 1423 779"> <thead> <tr> <th>Month</th> <th>High</th> <th>Low</th> <th>Close</th> </tr> </thead> <tbody> <tr><td>April, 2016</td><td>314.00</td><td>211.00</td><td>284.80</td></tr> <tr><td>May, 2016</td><td>349.00</td><td>242.60</td><td>272.75</td></tr> <tr><td>June, 2016</td><td>308.00</td><td>266.00</td><td>284.50</td></tr> <tr><td>July, 2016</td><td>300.00</td><td>267.00</td><td>289.00</td></tr> <tr><td>August, 2016</td><td>325.00</td><td>258.00</td><td>294.05</td></tr> <tr><td>September, 2016</td><td>319.80</td><td>278.00</td><td>295.70</td></tr> <tr><td>October, 2016</td><td>459.90</td><td>292.50</td><td>399.45</td></tr> <tr><td>November, 2016</td><td>469.00</td><td>351.00</td><td>460.25</td></tr> <tr><td>December, 2016</td><td>475.00</td><td>390.00</td><td>398.95</td></tr> <tr><td>January, 2017</td><td>524.90</td><td>405.00</td><td>449.00</td></tr> <tr><td>February, 2017</td><td>470.00</td><td>371.50</td><td>393.00</td></tr> <tr><td>March, 2017</td><td>440.00</td><td>369.50</td><td>428.60</td></tr> </tbody> </table> | Month | High | Low | Close | April, 2016 | 314.00 | 211.00 | 284.80 | May, 2016 | 349.00 | 242.60 | 272.75 | June, 2016 | 308.00 | 266.00 | 284.50 | July, 2016 | 300.00 | 267.00 | 289.00 | August, 2016 | 325.00 | 258.00 | 294.05 | September, 2016 | 319.80 | 278.00 | 295.70 | October, 2016 | 459.90 | 292.50 | 399.45 | November, 2016 | 469.00 | 351.00 | 460.25 | December, 2016 | 475.00 | 390.00 | 398.95 | January, 2017 | 524.90 | 405.00 | 449.00 | February, 2017 | 470.00 | 371.50 | 393.00 | March, 2017 | 440.00 | 369.50 | 428.60 |
|--|--------|--|--------|------|-----|-------|-------------|--------|--------|--------|-----------|--------|--------|--------|------------|--------|--------|--------|------------|--------|--------|--------|--------------|--------|--------|--------|-----------------|--------|--------|--------|---------------|--------|--------|--------|----------------|--------|--------|--------|----------------|--------|--------|--------|---------------|--------|--------|--------|----------------|--------|--------|--------|-------------|--------|--------|--------|
| Month | High | Low | Close | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April, 2016 | 314.00 | 211.00 | 284.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May, 2016 | 349.00 | 242.60 | 272.75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June, 2016 | 308.00 | 266.00 | 284.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July, 2016 | 300.00 | 267.00 | 289.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| August, 2016 | 325.00 | 258.00 | 294.05 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| September, 2016 | 319.80 | 278.00 | 295.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| October, 2016 | 459.90 | 292.50 | 399.45 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November, 2016 | 469.00 | 351.00 | 460.25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| December, 2016 | 475.00 | 390.00 | 398.95 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| January, 2017 | 524.90 | 405.00 | 449.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| February, 2017 | 470.00 | 371.50 | 393.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| March, 2017 | 440.00 | 369.50 | 428.60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (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: 2nd Floor, 10, Aram Apartment, 12, Sampatao Colony, Alkapuri, Vadodara-390 007, Gujarat Ph.No. 0265-231 4757 Fax No. : 0265 -2350490 Email: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 & 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 31.03.2017

| Shareholders | | | Nos. of Shares | |
|--------------------------------|--------------|---------------|------------------|---------------|
| Nominal Value of Shares in Rs. | Holders | % To Total | Number | % |
| Up to 500 | 1,258 | 90.53 | 143,629 | 3.766 |
| 501 to 1000 | 71 | 5.10 | 53,387 | 1.40 |
| 1001 to 2000 | 28 | 2.01 | 41,494 | 1.088 |
| 2001 to 3000 | 10 | 0.71 | 25,550 | 0.67 |
| 3001 to 4000 | 4 | 0.28 | 14,652 | 0.38 |
| 4001 to 5000 | 1 | 0.71 | 5,000 | 0.13 |
| 5001 to 10000 | 4 | 0.28 | 36,279 | 0.95 |
| 10001 to 50000 | 5 | 0.35 | 95,680 | 2.50 |
| 50001 to 100000 | 3 | 0.21 | 560,550 | 14.70 |
| AND ABOVE | 6 | 0.43 | 2,837,179 | 74.40 |
| Total | 1,390 | 100.00 | 3,813,400 | 100.00 |



| | | |
|---|---|--|
| (l) Dematerialization of Shares and liquidity | : | 98.80% of the paid-up capital has been dematerialized as on 31 st March, 2017. |
| (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 only. |
| (o) Address for correspondence | : | i. Shareholders correspondence should be addressed to either at Registered Office of the Company or at the address of RTA M/s. MCS Share Transfer Agent Limited given as above : ii. Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant. |

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.
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. Familiarisation 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 have jointly furnished the necessary Certificate to the Board of Directors with respect to financial statements and cash flow statements for the year ended 31st March, 2017.



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: 06.05.2017

**ALAY SHAH
MANAGING DIRECTOR
DIN: 00263538**

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE
[UNDER SCHEDULE V AND REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015.]**

**To the Members of
Shilchar Technologies Limited**

1. We have reviewed the compliance of conditions of Corporate Governance by **Shilchar Technologies Limited** (the Company) during the year ended March 31, 2017 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of the conditions of corporate governance is the responsibility of the Management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Schedule V and Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied with in all material respects by the Company.
4. As required by the Guidance Note on Certification of Corporate Governance by the Institute of Chartered Accountants of India, we state that no investor grievance is pending for a period exceeding one month as on March 31, 2017, against the Company, as per records maintained by the Investors Grievance/Share transfer Committee of the Company.

**For NARESH & CO.
CHARTERED ACCOUNTANTS**

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

Place: Bil, District Vadodara
Date : 06.05.2017



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

Report on the Financial Statements

We have audited the accompanying Financial Statements of **SHILCHAR TECHNOLOGIES LIMITED** ("the Company") which comprise the Balance sheet **as at 31st March, 2017**, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors Report) Order, 2016 ("the order") issued by the Central Government in terms of section 143 (11) of the Companies Act, 2013, we enclose in the Annexure-A, a statement on the matters specified in paragraph 3 & 4 of the said 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 purpose of our Audit;
- b) In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of the said books;
- c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;
- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors, as on 31st March, 2017, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2017 from being appointed as a director of the Company in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate report in Annexure – B attached herewith.
- g) With respect to the other matters to be included in our Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Note 25 of Notes forming part of Financial Statements.
 - (ii) There are no material long term contracts for which provision is required.
 - (iii) There has been no delay in transferring amounts required to be transferred, to the Investor Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in Note No. 48 to the Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the Books of Accounts maintained by the Company.

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

**Place : Vadodara
Date : 6/5/2017**

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



ANNEXURE –A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended 31st March 2017 of Shilchar Technologies Limited)

- (i) (a) The Company has maintained proper records showing full particulars including Quantitative Details since 2000. As informed to us, the Company is in the process of updating its old records as well as situation of Fixed Assets.
- (b) The Company has a regular program 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 its program, certain Fixed Assets were verified during the year and as informed to us, no material discrepancies were noticed on such verification. In our opinion, the program of verification is reasonable having regard to the size of the Company and the nature its Assets.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) In our opinion and to the best of our knowledge the physical verification of inventories has been conducted at reasonable intervals by the management of the Company. On the basis of our examination of the records of inventory, we are of the opinion that the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) The Company has not granted any loan, secured or unsecured, to Companies, Firms or Other Parties covered in the register maintained u/s. 189 of the Companies Act, 2013 during the year under report. Consequently, no comments are necessary on Para (iii) (a) (b) & (c) of CARO 2016.
- (iv) The Company has not granted any loans or advances or has not given any guarantee or has not acquired securities of any other body corporate exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more and hence the question of compliance of Section 185 and 186 of Companies Act, 2013 doesn't arise.
- (v) The Company has not accepted any deposits within the meaning of Section 2(31) of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and hence the compliance to the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed there under are not applicable. No order has been passed by Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) We have broadly reviewed the cost records maintained by the company for its products pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that *prima facie* the prescribed cost records have been made and maintained. However, we have not made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the Company were outstanding, as at 31st March, 2017 for a period of more than six months from the date they became payable.

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

CST Demand of Rs. 4,45,455/- for FY 2007-08 and VAT Demand of Rs. 1,40,876/- (including Penalty of Rs. 32,510/-)

{The Company has filed Second Appeal at Tribunal Ahmedabad for both the disallowances after fully paying both the demands, the hearing of which is awaited.}



CST Demand of Rs. 30,65,945/- for FY 2010-11

{The Company has obtained stay order from Gujarat Value Added Tax Tribunal, Amdavad against the demand. The Hearing of the case is awaited.}

CST Demand of Rs. 4,47,931/- for FY 2011-12

{The Company has filed Second Appeal at Tribunal Ahmedabad, the hearing of which is awaited.}

VAT/CST Demand of Rs.4,92,025/- for FY 2012-13 in connection with disallowance of 2% ITC and carry forward of ITC balance.

{The Company is in the process of filing the appeal as informed by the Management of the Company}

- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year.
- (x) During the course of our audit, we have not noticed across any fraud done by the Company or any fraud on the Company by its officers or employees.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. The same has been duly reflected in Note No. 51 of the Notes accompanying the Financial Statements.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give 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.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Place : Vadodara
Date : 6/5/2017**

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



Annexure – B to the Auditors' 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 M/s. Shilchar Technologies Limited ("the Company"), as on 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company are 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls 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") issued by ICAI 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. 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 adequate internal financial controls over financial reporting was 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 ICAI.

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

**Place : Vadodara
Date : 6/5/2017**

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



BALANCE SHEET AS AT 31st MARCH, 2017

| | NOTE | YEAR ENDED AS AT 31.03.2017 Amount Rs. | YEAR ENDED AS AT 31.03.2016 Amount Rs. |
|--|------|---|---|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 3 | 38,134,000 | 38,134,000 |
| (b) Reserves and Surplus | 4 | 460,355,327 | 337,720,489 |
| (2) Share Application Money pending allotment | | | |
| (3) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 5 | - | - |
| (b) Deferred Tax Liabilities (Net) | 6 | 14,609,392 | 16,063,863 |
| (c) Other Long Term Liabilities | 7 | - | - |
| (d) Long-Term Provisions | 8 | 5,661,694 | 4,133,033 |
| (4) Current liabilities | | | |
| (a) Short-Term Borrowings | 9 | 40,797,047 | - |
| (b) Trade Payables | 10 | 226,793,133 | 215,574,807 |
| (c) Other Current Liabilities | 11 | 40,833,752 | 30,022,305 |
| (d) Short-Term Provisions | 12 | 68,800,000 | 52,794,866 |
| TOTAL | | 895,984,345 | 694,443,363 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | 13 | | |
| (i) Tangible assets | | 168,259,226 | 177,754,172 |
| (ii) Intangible assets | | 1,455,616 | 512,643 |
| (iii) Capital work-in-progress | | 56,572,004 | - |
| (b) Non-Current Investments | 14 | 7,007,000 | 7,007,000 |
| (c) Long-Term Loans and Advances | 15 | 3,802,995 | 1,651,155 |
| (d) Other Non-Current Assets | 16 | - | - |
| (2) Current Assets | | | |
| (a) Current Investments | 17 | 115,818,303 | 20,000,000 |
| (b) Inventories | 18 | 79,287,904 | 85,322,561 |
| (c) Trade Recievables | 19 | 321,701,176 | 289,137,160 |
| (d) Cash and Cash Equivalents | 20 | 27,586,436 | 32,636,533 |
| (e) Short-Term Loans and Advances | 21 | 109,495,457 | 76,020,732 |
| (f) Other Current Assets | 22 | 4,998,228 | 4,401,407 |
| TOTAL | | 895,984,345 | 694,443,363 |

Notes forming part of the Accounts

1-53

As per our report attached of even date

For SHILCHAR TECHNOLOGIES LIMITED

For NARESH & CO.
CHARTERED ACCOUNTANTS
FRN : 106928W

ALAY SHAH
MANAGING DIRECTOR

JITENDRA SHAH
CHAIRMAN

CA HARIN PARIKH
PARTNER
Mem No. 107606

PRAJESH PUROHIT
CFO

MAULI BHATT
COMPANY SECRETARY

Place : Bil, Vadodara
Date : 6th May, 2017

Place : Bil, Vadodara
Date : 6th May, 2017



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017

| | NOTES | YEAR ENDED AS AT 31.03.2017 Amount Rs. | YEAR ENDED AS AT 31.03.2016 Amount Rs. |
|---|-------|---|---|
| I. Revenue From Operations | 27 | 1,091,876,245 | 1,016,430,249 |
| II. Other Income | 28 | 33,640,907 | 29,824,874 |
| III. Total Revenue (I + II) | | 1,125,517,152 | 1,046,255,123 |
| IV. Expenses: | | | |
| Cost of Materials Consumed | 29 | 784,910,545 | 701,596,136 |
| Purchases of Stock-in-Trade | | - | |
| Changes in Inventories of Finished Goods | 30 | (5,834,116) | 3,966,672 |
| Work-in-Progress and Stock-in-Trade | | | |
| Employee Benefits Expenses | 31 | 44,372,944 | 31,743,888 |
| Financial Costs | 32 | 5,051,843 | 7,522,568 |
| Depreciation and Amortization Expenses | 13 | 13,637,877 | 13,938,878 |
| Other Expenses | 33 | 93,840,659 | 146,814,288 |
| Total Expenses | | 935,979,752 | 905,582,429 |
| V. Profit Before Exceptional and Extra Ordinary Items & Tax (III - IV) | | 189,537,400 | 140,672,694 |
| VI. Exceptional items | | - | - |
| VII. Profit before Extraordinary Items & Tax (V - VI) | | 189,537,400 | 140,672,694 |
| VIII. Extraordinary Items | | | |
| Add: Excess Provision for Expenses Written Back | | 147,990 | 29,799 |
| Less: Prior year's Income Tax Adjustment | | (294,977) | (139,083) |
| IX. Profit Before Tax (VII - VIII) | | 189,980,367 | 140,841,576 |
| X. Tax expense : | | | |
| (1) Current Tax | | 68,800,000 | 50,500,000 |
| (2) Deferred Tax | | (1,454,471) | (580,491) |
| XI. Profit/(Loss) from Continuing Operations (VII-VIII) | | 122,634,838 | 90,922,067 |
| XII. Profit/(Loss) from Discontinuing Operations | | - | - |
| XIII. Tax Expense of Discontinuing Operations | | - | - |
| XIV. Profit/(loss) from Discontinuing Operations (after tax) (XII - XIII) | | - | - |
| XV. Profit / (Loss) for the Period (XI+XIV) | | 122,634,838 | 90,922,067 |
| XVI. Earning per Equity Share: | | | |
| (1) Basic | | 32.16 | 23.84 |
| (2) Diluted | | 32.16 | 23.84 |
| Notes Forming Part of the Accounts | 1-53 | | |

As per our report attached of even date

For SHILCHAR TECHNOLOGIES LIMITED

For NARESH & CO.
CHARTERED ACCOUNTANTS
FRN : 106928W

ALAY SHAH
MANAGING DIRECTOR

JITENDRA SHAH
CHAIRMAN

CA HARIN PARIKH
PARTNER
Mem No. 107606

PRAJESH PUROHIT
CFO

MAULI BHATT
COMPANY SECRETARY

Place : Bil, Vadodara
Date : 6th May, 2017

Place : Bil, Vadodara
Date : 6th May, 2017



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

| Sr. | Item | For the Year ended 31.3.2017 Rupees | For the Year ended 31.3.2016 Rupees |
|-----------|---|---|---|
| A. | Cash flow from Operating Activities : | | |
| | <i>Net Profit before Tax & Extra Ordinary Items</i> | 189,537,400 | 140,672,694 |
| | Adjustment for : | | |
| | Depreciation & Write-offs | 13,637,877 | 14,103,090 |
| | Gratuity Non Cash Adj. for AS 15 | 589,230 | 656,625 |
| | Leave Encashment Non Cash Adj. | 1,818,529 | 108,665 |
| | Interest & Financial Charges | 5,051,843 | 7,522,568 |
| | Prior Period Items | 2,211,261 | 454,066 |
| | Loss on Sale of Assets | (411,919) | 234,299 |
| | <i>Operating Profit before Working Capital Changes</i> | 212,434,221 | 163,752,007 |
| | Adjustments for : | | |
| | (Increase)/Decrease in Trade Receivables | (32,564,016) | 10,173,228 |
| | (Increase)/Decrease in Inventories | 6,034,657 | 2,214,984 |
| | (Increase)/Decrease in Loans & Advances | (23,012,657) | 3,831,495 |
| | (Increase)/Decrease in Other Current Assets | (596,821) | 17,322,604 |
| | Increase/(Decrease) in Trade Payables | 11,218,326 | (63,919,243) |
| | Increase/(Decrease) in Other Current Liabilities | 10,811,447 | 1,615,398 |
| | Increase/(Decrease) in Other provisions | (2,294,775) | (6,895,628) |
| | <i>Cash Generated from Operations</i> | 182,030,382 | 128,094,845 |
| | Gratuity Paid & Leave Salary Paid | 879,189 | 935,040 |
| | Direct Taxes Paid | 62,818,932 | 49,106,673 |
| | <i>Cash Flow before Extra Ordinary Items</i> | 118,332,261 | 78,053,132 |
| | Extra Ordinary Items | 147,990 | 139,083 |
| | Prior Period Items (being cash items) | (2,211,261) | (454,066) |
| | Net Cash Flow from Operating Activities | 116,268,990 | 77,738,149 |
| B. | Cash flow from Investing Activities | | |
| | Purchase of Fixed Assets | (64,695,988) | (13,875,543) |
| | Net Proceeds from Sale of Fixed Assets | 3,450,000 | 953,000 |
| | Investments | (95,818,303) | (20,000,000) |
| | Sale of Investments | - | - |
| | Net Cash used in Investment Activities | (157,064,291) | (32,922,543) |
| C. | Cash Flow from Financing Activities | | |
| | Increase/(Decrease) in Short Term Borrowings | 40,797,047 | (53,774,804) |
| | Increase/(Decrease) in Long Term Borrowings | - | - |
| | Dividend | - | (9,179,464) |
| | Interest Paid | (5,051,843) | (7,522,568) |
| | Net Cash used in Financing Activities | 35,745,204 | (70,476,836) |
| D. | Net Increase/(Decrease) in Cash and Cash Equivalents | (5,050,097) | (25,661,230) |
| | Cash and Cash Equivalents (Opening) | 32,636,533 | 58,297,763 |
| | Cash and Cash Equivalents (Closing) | 27,586,436 | 32,636,533 |

As per our report attached of even date

For **SHILCHAR TECHNOLOGIES LIMITED**

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

ALAY SHAH
MANAGING DIRECTOR

JITENDRA SHAH
CHAIRMAN

CA HARIN PARIKH
PARTNER
Mem No. 107606

PRAJESH PUROHIT
CFO

MAULI BHATT
COMPANY SECRETARY

Place : Bil, Vadodara
Date : 6th May, 2017

Place : Bil, Vadodara
Date : 6th May, 2017



Notes Forming Part of the Financial Statements

1. General Information of the Company.

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

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

2. Significant Accounting Policies

a. Basis of Preparation of Financial Statements

The Financial Statements are prepared on accrual basis of accounting, following historical cost convention, in accordance with the provisions of the Companies Act, 2013 ('the Act'), accounting principles generally accepted in India and comply the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Use of Estimates :

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

c. Fixed Assets

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

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

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

d. Depreciation / Amortisation :

Depreciation on Fixed assets, other than Freehold Land and Capital Work-in-Progress is being provided on the Straight Line Method on the basis of useful lives specified in part C of Schedule II to the Companies Act, 2013.

Depreciation on increase in value of the Fixed Assets on account of Revaluation is charged against Retained earnings. As per the application guide on Depreciation issued by the ICAI, the difference between



depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost is adjusted against free reserves of the Company as the application guide permits transfer of some portion of revaluation reserve if the asset is used by the Company.

e. Revenue Recognition

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

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

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

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

f. Research and Development Cost

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

g. Inventories

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

h. Investments

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

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

i. Foreign Currency Transactions

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

Liabilities in foreign currency as well as receivables in foreign currency, being monetary items, as on the date of the Balance Sheet have been restated into Indian rupees at the rates of exchange prevailing



as on the date of Balance Sheet. Non Monetary items, if any, which are carried in terms of historical cost denominated in Foreign Currency are reported using the exchange rate at the date of transaction.

j. Derivatives

Currency Derivatives :

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

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

Commodity Derivatives :

The Company is exposed to fluctuations in the prices of its raw materials. In case of principal raw materials such as copper, 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. However, on few occasions, Company enters into derivative contracts for other commodities to try and offset losses, if any, in other commodity derivative contracts, in which case, the gains or losses on the same are treated as speculative in nature.

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

k. Retirement Benefits

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

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

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

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



i. Borrowing Costs

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

m. Taxes on Income

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

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

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

n. Impairment of Assets :

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

o. Leases :

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

p. Contingencies / Provisions :

Contingencies which can be reasonably ascertained are provided for i.e. a provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reasonable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

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



3. Share Capital :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--|---|---|
| SHARE CAPITAL :- | | |
| (a) Authorised 50,00,000 Shares of Rs.10/- each | 50,000,000 | 50,000,000 |
| (b) Issued, Subscribed and Paid-up Capital 38,13,400 Equity Shares of Rs.10/- Each Fully Paid-up (Previous year 3813400 Equity Shares of Rs.10/- each Fully Paid-up) (All Shares rank pari - passu with reference to all rights related thereto) | 38,134,000 | 38,134,000 |
| TOTAL RS. | 38,134,000 | 38,134,000 |

(c) Reconciliation of Number of Shares

| Particulars | As at 31st March, 2017 | | As at 31st March, 2016 | |
|--------------------------|--|-------------------|--|-------------------|
| | No. of Shares | Amount Rs. | No. of Shares | Amount Rs. |
| Balance at the beginning | 3,813,400 | 38,134,000 | 3,813,400 | 38,134,000 |
| Addition / (Reduction) | -- | -- | -- | -- |
| Balance at the end | 3,813,400 | 38,134,000 | 3,813,400 | 38,134,000 |

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

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

| Name of Shareholder of Equity Shares | As at 31st March, 2017 | | As at 31st March, 2016 | |
|---|--|---------------------|--|---------------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Alay Jitendra Shah | 1,045,416 | 27.41 | 1,234,170 | 32.36 |
| Shilpa Alay Shah | 401,970 | 10.54 | 401,970 | 10.54 |
| Aatman Alay Shah | 394,382 | 10.34 | 300,000 | 7.87 |
| Aashay Alay Shah | 394,382 | 10.34 | 300,010 | 7.87 |
| Alay Jitendra Shah (HUF) | 274,825 | 7.21 | 274,825 | 7.21 |
| Shah Family LLC. | 326,204 | 8.55 | 400,150 | 10.49 |

(f) Forfeited Shares:

Total No. of Shares Forfeited – 521,900 Nos.

Amount originally paid up – Rs. 5 per share aggregating to Rs. 2,609,500.

(g) Dividend and Tax thereon:

The Board of Directors, in its meeting on May 6th, 2017 have proposed a Final Dividend of Rs.3.00 (30%) Per equity share for the Financial Year ended 31st March, 2017. The said proposal is subject to the approval of the shareholders at the Annual General Meeting to be held on 11th August 2017 and if approved would result in a Cash Outflow of Rs.137,69,196/- approximately including Corporate Dividend Tax.

4. Reserves & Surplus :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|---|---|---|
| Capital Reserves : | | |
| Capital Reserves on Amalgamation of Shilchar Core Ltd & Shilchar Payton Technologies Ltd. | 13,756,439 | 13,756,439 |
| Securities Premium Reserve | 30,657,265 | 30,657,265 |
| Revaluation Reserve | | |
| Opening Balance | 2,599,433 | 2,763,645 |
| Less Depreciation adjusted | 164,212 | 164,212 |
| Balance at Year end. | 2,435,221 | 2,599,433 |
| Share Forfeiture Account | 2,609,500 | 2,609,500 |
| Subsidy | 424,648 | 424,648 |
| General Reserves | 10,359,273 | 10,359,273 |
| Surplus in Statement of Profit and Loss account | | |
| Opening Balance | 277,313,931 | 197,701,982 |
| Add: Depreciation consequent to revaluation adjusted | 164,212 | 164,212 |
| Add: Profit / (Loss) During Quarter | 122,634,838 | 90,922,067 |
| Balance Available for Appropriation | 400,112,981 | 288,788,261 |
| Less : Appropriation | | |
| Interim Dividend @20% on Equity shares | - | 7,626,800 |
| Corporate Dividend Tax on Above | - | 1,552,664 |
| Proposed Final Dividend on Equity shares | - | 1,906,700 |
| Corporate Dividend Tax on Above | - | 388,166 |
| Balance at year end | 400,112,981 | 277,313,931 |
| TOTAL RS. | 460,355,327 | 337,720,489 |

5. Long - Term Borrowings :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|---|---|---|
| NOTE NO : 5 LONG TERM BORROWINGS | | |
| Secured | - | - |
| Unsecured | - | - |
| TOTAL RS. | - | - |

6. Deferred Tax Liabilities (Net) :

| | As At March 31st, 2017 | As At March 31st, 2016 |
|---|--|--|
| Major Components of Deferred Tax Balances are as under : | | |
| Deferred Tax Liabilities (difference between accounting and tax depreciation) | 16,568,905 | 17,494,224 |
| Deferred Tax Assets (liabilities provided in books but allowable for tax purposes when actually paid) | 1,959,513 | 1,430,361 |
| NET TOTAL RS. | 14,609,392 | 16,063,863 |

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

7. Other Long - Term Liabilities :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--------------------|---|---|
| (a) Trade Payables | - | - |
| (b) Others | - | - |
| TOTAL RS. | - | - |

8. Long-Term Provisions :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--|---|---|
| Provision for Employee Benefits | | |
| (a) Provision for Gratuity (Net) | 3,286,121 | 2,696,800 |
| (b) Provision for Leave encashment | 2,375,573 | 1,436,233 |
| Others | - | - |
| TOTAL RS. | 5,661,694 | 4,133,033 |

9. Short - Term Borrowings :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--|---|---|
| SHORT TERM BORROWINGS | | |
| Secured : | | |
| From Banks for Working Capital : | | |
| From Bank of Baroda | | |
| Cash Credit (Against Hypothecation of Stocks and Book Debts) | 9,930,287 | - |
| EPC/FBD/PCFC/FCBD Account (Secured against Export Orders and Stock of Export) | 30,866,760 | - |
| TOTAL RS. | 40,797,047 | - |



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

10. Trade Payables :

| | As At March 31st, 2017 | As At March 31st, 2016 |
|--|--|--|
| Payable to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006 | 18,099,468 | 27,177,776 |
| Trade Payables to Others | 208,693,665 | 188,397,031 |
| TOTAL RS. | 226,793,133 | 215,574,807 |

Micro and Small Enterprises:

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

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

11. Other Current Liabilities :

| | YEARENDED AS AT 31.03.2017 Amounts. (Rs.) | YEARENDED AS AT 31.03.2016 Amounts. (Rs.) |
|---|--|--|
| (a) Current Maturities On Long Term Debt | | |
| - Vehicle Loan (Repayable within 12 months) | - | 102,019 |
| (b) Interest Accrued but not due on Borrowings | - | - |
| (c) Interest Accrued and due on Borrowings | - | - |
| (d) Income Received in Advance (Interest on LC) | 1,680,672 | 1,979,321 |
| (e) Unpaid Dividends | 261,526 | 181,655 |
| (f) Advances Received from Customers | 22,404,568 | 15,120,462 |
| (g) Other Payables : | | |
| - Security Deposits | 338,000 | 283,000 |
| - Statutory Liabilities | 856,971 | 434,814 |
| - Other Expenses Payable | 8,538,445 | 6,194,738 |
| - Other Current Liabilities | 6,753,570 | 5,726,296 |
| TOTAL RS. | 40,833,752 | 30,022,305 |

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

Schedule - 13
Fixed Assets

NOTE NO. : 13

| Particulars | Gross Block | | | | Depreciations | | | | Net Block | | |
|--------------------------|---------------------|--|---|---------------------|-----------------------------|----------------------|--------------------|---|---------------------|---------------------|---------------------|
| | As At 01.04.2016 | Addition During the year Cost | Deduction/ Adjustment during the year | As At 31.03.2017 | As At 01.04.2016 Cost | For the year Cost | Total | Adjustment/ Deduction during the year | As At 31.03.2017 | As At 31.03.2017 | As At 31.03.2016 |
| | | | Cost | | | | | Cost | | | |
| Land | 67,754,204 | - | - | 67,754,204 | - | - | - | - | - | 67,754,204 | 67,754,204 |
| Office Building | 4,400,000 | - | 4,400,000 | - | 1,257,801 | 146,614 | 1,404,415 | 1,404,415 | - | - | 3,142,199 |
| Factory Building | 63,087,378 | 1,838,900 | - | 64,926,278 | 28,192,577 | 1,872,587 | 30,065,164 | - | 30,065,164 | 34,861,114 | 34,894,801 |
| Plant & Machinery | 139,457,287 | 4,563,288 | - | 144,020,575 | 92,332,486 | 7,442,988 | 99,775,474 | - | 99,775,474 | 44,245,101 | 47,124,801 |
| Electrical Installation | 5,477,977 | 98,495 | - | 5,576,472 | 3,412,937 | 411,478 | 3,824,415 | - | 3,824,415 | 1,752,057 | 2,065,040 |
| Office Equipments | 5,129,420 | 255,100 | - | 5,384,520 | 3,888,770 | 310,239 | 4,199,009 | - | 4,199,009 | 1,185,511 | 1,240,650 |
| Windmill | 15,944,789 | - | - | 15,944,789 | 7,400,249 | 611,674 | 8,011,923 | - | 8,011,923 | 7,932,866 | 8,544,540 |
| Computers | 8,633,276 | 317,224 | - | 8,950,500 | 7,872,527 | 562,356 | 8,434,883 | - | 8,434,883 | 515,617 | 760,749 |
| Furnitures & Fixtures | 17,740,948 | - | 850,000 | 16,890,948 | 15,798,844 | 808,242 | 16,607,086 | 807,500 | 15,799,586 | 1,091,362 | 1,942,104 |
| Vehicles | 13,407,916 | - | - | 13,407,916 | 3,122,827 | 1,363,694 | 4,486,521 | - | 4,486,521 | 8,921,395 | 10,285,089 |
| Intangible Assets | | | | | | | | | | | |
| Softwares | 1,135,182 | 1,050,977 | - | 2,186,159 | 622,539 | 108,004 | 730,543 | - | 730,543 | 1,455,616 | 512,643 |
| Total | 342,168,377 | 8,123,984 | 5,250,000 | 345,042,361 | 163,901,557 | 13,637,877 | 177,539,434 | 2,211,915 | 175,327,519 | 169,714,842 | 178,266,820 |
| Previous Year | 328,185,758 | 16,266,376 | 2,283,757 | 342,168,377 | 151,062,138 | 13,938,878 | 165,001,016 | 1,099,458 | 163,901,558 | 178,266,819 | 177,123,620 |

63

- Note-4 to Schedule II specifies that the useful life specified in Part C of the Schedule is for whole of the asset. Where Cost of a Part of the Asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part should be determined separately. As per the Management of the Company and considering the nature of Fixed Assets lying in the Block of Assets of the Company, particularly the Plant and Machineries lying in the Block, there are no such major parts whose useful life is different from the useful life of the remaining asset and hence the Company has considered the useful life of the said parts equivalent to the useful life of the Asset only. However as informed to us, the Company has undertaken the specific exercise of identifying the parts where the Cost is significant to the total cost and whose useful life might be different from the useful life of the remaining assets. If such parts are identified, the same shall be given effect to prospectively.



12. Short - Term Provisions :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--|---|---|
| (a) Provision for Employee Benefits | - | - |
| (b) Provision for Current Taxation | 68,800,000 | 50,500,000 |
| (c) Provision for Proposed Dividend | - | 1,906,700 |
| (d) Provision for Corporate Dividend Tax | - | 388,166 |
| TOTAL RS. | 68,800,000 | 52,794,866 |

14. Non – Current Investments :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|---|---|---|
| Investment in Equity Instruments (Unquoted, At Cost) | | |
| E-Cube India Solutions Ltd. (Related Party as defined under AS-18) (Fully Paid-up Equity Shares) | 7,007,000 | 7,007,000 |
| TOTAL RS. | 7,007,000 | 7,007,000 |

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

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|------------------------------|---|---|
| (a) Capital Advances | 2,540,340 | - |
| (b) Security Deposits | 1,262,655 | 1,651,155 |
| (c) Other Loans and Advances | - | - |
| TOTAL RS. | 3,802,995 | 1,651,155 |

16. Other Non – Current Assets :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|-----------------------------|---|---|
| Long-term Trade Receivables | - | - |
| Others | - | - |
| TOTAL RS. | - | - |

17. Current Investments :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|---|---|---|
| CURRENT INVESTMENTS | | |
| Investment in Mutual Fund | | |
| DSP BlackRock - Liquidity Fund (Under Growth Option 48806.658 Units are lying invested whose NAV is Rs.2325.1763) | 113,318,303 | 20,000,000 |
| Baroda Pioneer Fund - Balance Fund - Growth (Under Growth Option 50,167.57 Units are lying invested whose NAV is Rs.49.83) | 2,500,000 | - |
| TOTAL RS. | 115,818,303 | 20,000,000 |

(Market Value of Investment in Mutual Fund is Rs. 115,983,934/-)

18. Inventories :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--|---|---|
| (At Cost or Market Value whichever is lower) (Taken as Valued & Certified by Management) | | |
| Raw Materials | 43,994,848 | 56,564,375 |
| Work-in-Progress | 22,933,176 | 22,705,095 |
| Finished Goods | 12,359,880 | 6,053,091 |
| TOTAL RS. | 79,287,904 | 85,322,561 |

| Finished Goods | As At March 31st, 2017 | As At March 31st, 2016 |
|-----------------------------------|--|--|
| Transformers – E & T | 2,842,551 | 3,458,730 |
| Distribution & Power Transformers | 9,517,329 | 2,594,361 |
| TOTAL RS. | 12,359,880 | 6,053,091 |

| Work-in Progress | As At March 31st, 2017 | As At March 31st, 2016 |
|-----------------------------------|--|--|
| Transformers – E & T | 394,428 | 1,102,435 |
| Distribution & Power Transformers | 22,538,748 | 21,602,661 |
| TOTAL RS. | 22,933,176 | 22,705,095 |

19. Trade Receivables (Unsecured Considered Good) :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|---|---|---|
| (a) Outstanding for a period exceeding Six Months | 1,478,720 | 1,695,559 |
| (a) Others | 320,222,456 | 287,441,601 |
| TOTAL RS. | 321,701,176 | 289,137,160 |
| Amount due from Related Party as defined in AS 18 | 560,254 | 560,254 |

20. Cash & Bank Balances :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts.(Rs.) |
|----------------------------|---|--|
| Balances with Banks | | |
| - In Current Accounts | 1,199,503 | 2,813,582 |
| - In Dividend Accounts | 261,901 | 170,658 |
| - In Margin Money Accounts | 25,789,503 | 29,357,317 |
| Cash on Hand | 335,529 | 294,976 |
| TOTAL RS. | 27,586,436 | 32,636,533 |

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

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--|---|---|
| - EMD's | 429,500 | 429,500 |
| - Prepaid Expenses | 2,708,583 | 2,388,957 |
| - Advance Paid to Suppliers & Service Providers | 2,171,841 | 2,359,915 |
| - Advance Income Taxes and Refunds Receivable | 55,906,394 | 43,292,486 |
| - Indirect Taxes Recoverable Balances with Revenue Authorities | 46,505,360 | 24,020,738 |
| - Other Short Term Loans & Advances | 1,773,779 | 3,529,136 |
| TOTAL RS. | 109,495,457 | 76,020,732 |

22. Other Current Assets :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--------------------------------|---|---|
| - Interest Accrued but not Due | 4,998,228 | 4,401,407 |
| TOTAL RS. | 4,998,228 | 4,401,407 |



23. Sundry Creditors and Sundry Debtors are as per books and have not been corroborated by circulation / confirmation of balances / reconciliation of accounts. Confirmations of parties concerned, for the amount receivable / due to them as per accounts of the company, are under process of reconciliation and adjustments required, if any, will be made as and when the accounts are settled.
24. In the opinion of the Board, the Current Assets, Loans and Advances which are considered good are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business. Further, in the opinion of the Board, provision of all known liabilities has been adequately made in the accounts and as per management experience and estimates no additional provision is required for guarantees and warranties, liquidated damages etc.

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

Claims against the Company not acknowledged as debt:

Status of Demand on VAT & CST from Commercial Tax Department on various years

| Year | VAT Demand | CST Demand | Reason of Demand | Status |
|-----------|---------------------------------------|----------------|---|---|
| 2007-2008 | Rs.108,366/- & Rs.32,510/- Penalty | Rs. 445,455/- | Disallowance of Input Tax Credit on VAT & CST on Freight not collected. | Company has preferred Second Appeal at Tribunal – Ahmedabad for both the disallowances after fully paying both the demand, hearing is awaited |
| 2010-2011 | Nil | Rs.3,065,945/- | Pending Form C & VAT Balance C/F issue. | Company has obtained Stay Order from Gujarat Value Added Tax Tribunal, Amdavad, Hearing is awaited |
| 2011-2012 | Nil | Rs.447,931/- | Pending Form C | Against demand, the Company has filed appeal before Jt. Commissioner of Commercial Tax (Appeals) which was dismissed. The Company has preferred 2 nd appeal to Tribunal for C forms received. Paid all dues. |
| 2012-2013 | Nil | Nil | VAT balance b/f & c/f issue & 2% ITC Rs. 492,025/- disallowed | Company is in process of filing of appeal at JC, Commercial Tax. |

Legal Case Filed against Company by its Creditors-Rs.22,900/-

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

Guarantees:

The Company has given Corporate Guarantees for Performance of Products to the tune of Rs.11,359,904/- (p.y. Rs.18,185,778/-) to EPC Customers being Private Companies.

Bank Guarantees outstanding as on 31st March, 2017, amounted to Rs.162,546,488/- (p.y. Rs.173,036,439/-) and Letters of Credit outstanding as at 31st March 2017, amounted to Rs.34,544,500/- (p.y. Rs.77,929,348/-) against which the company has kept the Margin Money in the form of Fixed Deposit worth Rs.25,789,503/- (p.y. Rs.29,357,317/-).

26. Commitments (to the extent not provided for)

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

Other Commitments : Nil



27. Revenue From Operations :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|---|---|---|
| REVENUE FROM OPERATIONS | | |
| (a) Sale of Products | | |
| - Domestic Sales | 702,280,557 | 797,105,685 |
| - Export Sales | 443,641,764 | 292,248,384 |
| Total Sale of Products | 1,145,922,321 | 1,089,354,069 |
| (b) Sale of Services | - | - |
| (c) Other Operating Revenues | - | - |
| Total Gross Revenues | 1,145,922,321 | 1,089,354,069 |
| Less : Excise Duty | 54,046,076 | 72,923,820 |
| TOTAL RS. | 1,091,876,245 | 1,016,430,249 |
| Sales (Finished Goods) | As At March 31st, 2017 | As At March 31st, 2016 |
| Transformers – E & T (Including Core & Lamination and Bobbin) | 95,153,373 | 104,303,703 |
| Distribution & Power Transformers | 993,682,940 | 906,206,903 |
| Others | 3,039,932 | 5,919,642 |
| TOTAL RS. | 1,091,876,245 | 1,016,430,248 |

28. Other Income :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--|---|---|
| Interest Income | 5,767,195 | 10,093,587 |
| Discounts and Sundry Balances Appropriated | 9,505 | 88,861 |
| Duty Drawback / Advance License | 8,595,756 | 10,612,405 |
| Misc. Income | 79,640 | - |
| Prior Period income | 421,128 | 298,735 |
| Exchange Rate Difference (Net) | 3,177,828 | 2,630,981 |
| Insurance Claim received | 53,405 | 20,102 |
| Income from Liquid Fund | 6,392,577 | 2,246,536 |
| Income of units generated from Windmill | 3,228,749 | 2,638,277 |
| Contractual Deduction recovered | 5,503,205 | 1,195,390 |
| Profit on Sales of Fixed Assets (Net) | 411,919 | - |
| TOTAL RS. | 33,640,907 | 29,824,874 |

29. Cost of Material Consumed :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|---|---|---|
| Opening Stock of Raw Materials | 56,564,375 | 53,652,841 |
| Add : Purchases (incl. Custom Duty & Charges) | 770,126,332 | 702,605,855 |
| | 826,690,707 | 756,258,696 |
| Less : Closing Stock of Raw Materials | 43,994,848 | 56,564,375 |
| Raw Materials Consumed | 782,695,859 | 699,694,321 |
| Consumable Store and Spares | 2,214,686 | 1,901,815 |
| TOTAL Rs. | 784,910,545 | 701,596,136 |

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

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|---|---|---|
| Opening Stock of Finished Goods & Work in Process | 28,758,186 | 33,884,704 |
| Less: Closing Stock of Finished Goods & Work In Process | 35,293,056 | 28,758,186 |
| | (6,534,870) | 5,126,518 |
| Differential Excise Duty on Opening & Closing Stock of Finished Goods | 700,754 | (1,159,846) |
| TOTAL RS. | (5,834,116) | 3,966,672 |

31. Employee Benefit Expense :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--|---|---|
| Salary,Wages, Allowances, Perquisites, Leave Encashment & Others | 26,052,651 | 20,455,308 |
| Directors Remuneration | 13,032,000 | 7,181,496 |
| Bonus | 535,504 | 541,333 |
| Provident Fund | 1,251,768 | 1,104,269 |
| Gratuity | 589,320 | 6,56,625 |
| Staff Welfare | 2,911,701 | 1,804,856 |
| TOTAL RS. | 44,372,944 | 31,743,888 |

32. Finance Costs :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--------------------------|---|---|
| Interest to Bank | 3,668,296 | 5,303,920 |
| Interest to Others | 757 | 71,216 |
| Other Borrowing Costs | 2,910,800 | 2,268,735 |
| Exchange Rate Difference | (1,528,010) | (121,303) |
| TOTAL RS. | 5,051,843 | 7,522,568 |

33. Operation & Other Expenses :

| | YEAR ENDED AS AT 31.03.2017 Amounts. (Rs.) | YEAR ENDED AS AT 31.03.2016 Amounts. (Rs.) |
|--|---|---|
| (1) Manufacturing Expenses | | |
| Power and Fuel | 5,062,385 | 4,957,411 |
| Repairs & Maintainance - Plant and Machinery | 1,227,020 | 1,054,826 |
| Manufacturing Processing Cost | 34,842,827 | 38,290,132 |
| Carting, Freight, Octroi Inwards | 5,981,212 | 4,223,284 |
| Other Mfg. Expenses | 328,858 | 325,584 |
| TOTAL Rs.(a) | 47,442,302 | 48,851,237 |



| | | |
|--|-------------------|--------------------|
| (2) Administrative & Other Expenses | | |
| Repairs & Maintainance - Building | 164,772 | 316,043 |
| Repairs & Maintainance - Others | 938,689 | 4,089,796 |
| Rent, Rates and Taxes | 795,278 | 1,047,699 |
| Traveling and Conveyance expenses | 7,821,343 | 8,266,476 |
| Communication and Printing expenses | 814,093 | 1,143,972 |
| Legal and Professional Fees | 4,839,069 | 4,529,056 |
| Insurance Premium | 1,029,253 | 1,093,438 |
| Auditors Remuneration | | |
| Statutory Audit Fees | 255,000 | 255,000 |
| Others | 30,000 | 30,000 |
| Directors Sitting Fees | 310,000 | 181,000 |
| Research and Development Expenses | 3,156,137 | 2,787,967 |
| Donation | - | 451,000 |
| Lease Rent Paid | 1,200,000 | 1,200,000 |
| Prior Period Expenses | 2,211,261 | 454,066 |
| Contractual Deductions & other Bad Debts Written off (net of recoveries) | 36,757 | 51,216,374 |
| Security Charges | 1,909,589 | 1,297,999 |
| Loss on Commodity Derivatives (Net) | 1,182,175 | 439,340 |
| Loss on Sale of Fixed Assets | - | 234,299 |
| Loss on account of Theft | - | 327,421 |
| CSR Expenditure | 2,008,000 | 1,038,000 |
| Other Administrative Expenses | 2,531,019 | 1,932,110 |
| TOTAL Rs.(b) | 31,232,435 | 82,331,056 |
| (3) Selling & Distribution Expenses | | |
| Business Promotion Expenses | 5,994,902 | 4,233,497 |
| Freight / Clearing & Forwarding Charges on Sales (net of recoveries) | 7,364,592 | 10,312,365 |
| Commission | 1,292,679 | 529,006 |
| Misc. Selling and Distribution Exps | 513,749 | 557,127 |
| TOTAL Rs.(c) | 15,165,922 | 15,631,995 |
| TOTAL RS. (1) + (2) + (3) | 93,840,659 | 146,814,288 |

34. Depreciation & Amortization Expenses :

| | As At March 31st , 2017 | As At March 31st , 2016 |
|-----------------------------------|------------------------------------|------------------------------------|
| Depreciation on Tangible Assets | 13,529,873 | 13,835,549 |
| Depreciation on Intangible Assets | 108,004 | 103,329 |
| TOTAL RS. | 13,637,877 | 13,938,878 |

35. C.I. F. Value of Imports

| Item | 2016 – 2017 | 2015 - 2016 |
|---------------|--------------------|--------------------|
| Raw Materials | 7,801,845 | 12,424,199 |

36. Expenditure in Foreign Currency

| Item | 2016 – 2017 | 2015 - 2016 |
|---|--------------------|--------------------|
| Foreign Travel | 1,236,637 | 2,087,986 |
| Repairing, Inspection, Machinery Imports and Others | 5,275,366 | 3,140,975 |
| Testing Equipment | 14,807 | Nil |
| Total Rs. | 6,526,810 | 5,228,961 |



37. Consumption of Raw Materials

| Item | 2016-2017 | | 2015-2016 | |
|------------------|--------------------|---------------|--------------------|---------------|
| | Amount | Percentage | Amount | Percentage |
| Imported | 7,632,189 | 0.97 | 12,955,731 | 1.84 |
| Indigenous | 777,278,356 | 99.03 | 688,967,826 | 98.16 |
| Total Rs. | 784,910,545 | 100.00 | 701,923,557 | 100.00 |

| Class of Goods | 2016 – 2017 Amount | 2015 - 2016 Amount |
|------------------|-----------------------|-----------------------|
| Silicon Steel | 199,794,315 | 208,296,904 |
| Copper Wire | 260,126,370 | 191,354,179 |
| Aluminum | 6,576,448 | 16,444,705 |
| Transformer Oil | 52,184,482 | 53,600,604 |
| Others | 266,228,930 | 232,227,165 |
| Total Rs. | 784,910,545 | 701,923,557 |

38. Dividends to Non-Resident Shareholders

| Particulars | 2016-2017 | 2015-2016 |
|---|-----------|-----------|
| Net final Dividend for FY 2015-16 paid in Foreign Currency (stated in Rupees) | 215,399 | 861,597 |
| Number of non-resident shareholders | 2 | 2 |
| Number of equity shares held by such non resident shareholders | 430,799 | 430,799 |

39. Earnings in Foreign Currency

| Particulars | 2016-2017 | 2015-2016 |
|--|-------------|-------------|
| Export of Goods on FOB basis Amount realized during the year Rs.49,30,99,490/- (Previous Year Rs 19,52,64,619/-) | 432,705,236 | 288,149,821 |

40. Post Employment Benefits:

Provident Fund dues amounting to Rs.12,51,768/- (PY Rs.11,04,269/-) paid during the year being defined contributions has been charged to the Statement of Profit and Loss.

The value of obligation towards entitlement of employees accumulating earned leave and eligibility of compensation or encashment of the same is determined on the basis of the expected amount required to be paid as a result of actual unused entitlement standing to the credit of the employees as at end of the year based on current salary standards measured by actuarial valuation using projected unit credit method as at the balance sheet date. Accordingly a sum of Rs.23,75,573/- (p.y. Rs.14,35,213/-) has been determined as obligation as at the year end. The current year cost including actuarial gains / losses of Rs.18,18,529/- (p.y Rs. 1,08,665/-) has been charged to the Statement of Profit and Loss Account and the benefit pay out of Rs.8,79,189/- (p.y Rs. 9,17,151/-) has been deducted from the overall liability which is unfunded.

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



| Change in Present Value of Defined Benefit Obligation | As At March 31st , 2017 | As At March 31st , 2016 |
|--|------------------------------------|------------------------------------|
| Present Value of Obligations as at beginning of the Year | 4,661,097 | 4,140,139 |
| Interest Cost | 372,888 | 331,211 |
| Current Cost | 271,406 | 265,872 |
| Benefits Paid | (62,827) | (288,395) |
| Actuarial (gains) / losses on obligation | 88,839 | 212,270 |
| Present Value of Obligations as at the end of the Year | 5,331,403 | 4,661,097 |
| Change in Fair Value of Plan Assets | | |
| Fair Value of Plan Assets as at the beginning of the Year | 1,964,296 | 2,076,430 |
| Expected Return on Plan Assets | 143,813 | 171,637 |
| Contributions | Nil | 4,624 |
| Benefits Paid | (62,827) | (288,395) |
| Actuarial (gains) / losses on Plan Assets | NIL | NIL |
| Fair Value of Plan Assets as at the end of the Year | 2,045,282 | 1,964,296 |
| Defined Benefit Obligation as recognized in Balance Sheet | | |
| Present Value of Obligations as at the Year end | 5,331,403 | 4,661,097 |
| Unrecognized Past Service Cost | Nil | Nil |
| Fair Value of Plan Assets as at the Year end | 2,045,282 | 1,964,296 |
| Net (Asset) / Liability recognized in Balance Sheet | 3,286,121 | 2,696,801 |
| Net Gratuity Benefit Expenditure Recognized in P&L | | |
| Current Service Cost | 271,406 | 265,872 |
| Interest Cost | 372,888 | 331,211 |
| Expected Return on Plan Assets | (143,813) | (171,637) |
| Net Actuarial (Gain) / Loss Recognized in the Year | 88,839 | 212,270 |
| Net Expense Recognized in Statement of Profit and Loss | 589,320 | 637,716 |
| Principal Assumptions Used | | |
| Discount Rate | 8% | 8% |
| Expected Return on Plan Assets | 7.71% | 9% |
| Salary Escalation Rate | 7% | 7% |
| Major Categories of Plan Assets | | |
| Insurer Managed Funds | 100% | 100% |

41. Segment Reporting

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

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

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

| Particulars | 31.03.2017 Rs | 31.03.2016 Rs |
|--|--------------------------|--------------------------|
| ⇒ Lease Payments recognized in the Statement of Profit and Loss | 1,200,000 | 1,200,000 |
| ⇒ In respect of one agreement, refundable interest free deposits have been given | Nil | Nil |



43. Earnings Per Share

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

| Particulars | Unit | 2016-2017 | 2015-2016 |
|--|------|-------------|------------|
| Amount used as numerator Profit after Taxation | Rs. | 122,634,838 | 90,922,067 |
| Weighted average number of equity shares used as denominator | No. | 3,813,400 | 3,813,400 |
| Nominal Value of Shares | Rs. | 38,134,000 | 38,134,000 |
| Earnings Per Share | Rs. | 32.16 | 23.84 |

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

44. Related Party Transactions

The Company has identified all the related parties having transactions during the year, as per details given below, in line with Accounting Standard-18. In respect of the outstanding balance receivable as on 31.3.2017 no provision for doubtful debts / advances is required to be made.

| Name of related party | Nature of Relationship | Nature of Transaction | Volume of Transaction (Rs.) | | Year end Balance (Rs.) | |
|-----------------------------|-----------------------------------|--|-----------------------------|----------------------|------------------------|-------------------|
| | | | 2017 | 2016 | 2017 | 2016 |
| E-Cube India Solutions Ltd. | Associate | Administration Expenses Recovered (net) | NIL | Nil | 176,798 | 176,798 |
| | | Sales | NIL | 44,298 | 383,455 | 383,455 |
| Mr. Alay Shah | Key Management Person | Managerial Remuneration Lease Rent paid | 13,583,864 1,200,000 | 7,717,408 300,000 | 2,232,399 90,000 | 398,258 90,000 |
| Mr. Ashesh Shah | - do - | Professional Fees | 1,500,000 | 1,500,000 | 129,375 | 128,813 |
| Mrs. Shilpa Shah | Relative of Key Management Person | Remuneration (V. P. Admin.) | 1,554,000 | 1,211,375 | 81,550 | 119,333 |
| | | Perquisite of Electricity | 171,967 | 137,135 | Nil | Nil |
| | | Lease rent paid | Nil | 900,000 | Nil | Nil |
| Mr. Aashay Shah | Relative of Key management person | Remuneration | 713,260 | 689,460 | 49,790 | 58,790 |
| Mr. Atman Shah | Relative of Key management person | Remuneration | 275,785 | Nil | 50,568 | Nil |
| Mr. Jitendra Shah | Key Management Person | Lease Deposit | Nil | Nil | Nil | 500,000 |
| Mr. Prajesh Purohit | Key Management Person | Salary & Others | 835,918 | 776,947 | 68,107 | 65,157 |
| Ms. Mauli Bhatt | Key Management Person | Salary & Others | 168,000 | 14,000 | 12,120 | 14,000 |

45. Impairment of Assets:

As a tool to measure to the value of fixed assets, the Company has considered the technical Valuation carried out by expert in the recent. In terms of the valuation report and further in absence of any indications, external or internal, as to any probable impairment of assets, no provision has been made for the same during the year under report.

46. Derivative Instruments and Unhedged Foreign Current Exposure :

| Particulars of Derivatives | Purpose |
|--|---------|
| Forward Contract Outstanding on 31 st March, 2017 (P.Y. Nil) | Nil |

| Particulars of Un-hedged Foreign Currency Exposure | 31.03.2016 (Rs.) | 31.03.2015 (Rs.) |
|--|---------------------|---------------------|
| ⇒ Sundry Creditors | 456,939 | 3,132,454 |
| ⇒ PCFC | 30,866,760 | Nil |
| ⇒ Sundry Debtors | 50,962,510 | 91,373,913 |

47. Corporate Social Responsibility:

Gross Amount required to be spent by the Company during the year is Rs. 18.16 Lacs as per the provisions of Section 135 of the Companies Act, 2013 read with the rules thereon.

As against the liability, the Company spent a total of Rs. 20.08 Lacs and the entire amount has been spent by the Company during the year through contributions made to registered trusts inter-alia involved in the activities specified in schedule VII of the Companies Act, 2013 and having a established track record of more than 3 years for the same.

48. Disclosure on Specified Bank Notes(SBN's):

During the year, the Company had Specified Bank Notes or other denomination note as defined in the MCA Notification G.S.R 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN's) held and transacted during the period from November 8,2016 to December 30,2016, the denomination wise SBN's and other Notes as per the Notification is given below:

| Particulars | SBN's (Rs.) | Other Denomination Notes (Rs.) | Total (Rs.) |
|--|-------------|--------------------------------|-------------|
| Closing Cash in Hand as on November 8,2016 | 203,500/- | 97,021/- | 300,521/- |
| Add: Permitted Receipts | Nil | 489,000/- | 489,000/- |
| Less: Permitted Payments | Nil | 512,861/- | 512,861/- |
| Less: Amount Deposited in Banks | 203,500/- | Nil | 203,500/- |
| Closing Cash – in – Hand as on 30 th December, 2016 | Nil | 73,160/- | 73,160/- |

*The above doesn't include currencies held by the Company in Foreign Currencies.

49. The Company has acquired a new land for future expansion purposes in the preceding financial year. The company has incurred various expenditures in relation to the said land for the purpose of the development of the same. The development cost incurred in respect of the said land has been capitalized.

50. Directors' remuneration paid during the year is in accordance with the approval of the Central Government sanctioned to the Company under Section 197(3) of the Companies Act, 2013 for giving the Remuneration above the limits prescribed by Section 197 read with Section I of Part-II of Schedule V of the Companies Act, 2013. The amounts paid includes the following :



| Particulars | 2016-2017 (Rs.) | 2015-2016 (Rs.) |
|--------------------------------|----------------------------|----------------------------|
| Remuneration | 13,548,064 | 7,717,408 |
| Perquisites | 28,800 | 39,547 |
| Bonus | 7,000 | 7,000 |
| Contribution to Provident Fund | NIL | Nil |

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

51. The Company owns a Windmill which produces power. The income from units generated from windmill is booked as income and simultaneously the gross power cost of the Company is expensed off.
52. There are no amounts pending to be transferred to the Investors Education and Protection Fund as at the end of the year.
53. The figures in respect of previous year have been regrouped / recast wherever necessary to confirm to the current year's classification.

Signature to Notes 1 – 53

For **NARESH & CO**
CHARTERED ACCOUNTANTS

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

Place : Vadodara
Date : 06th May 2017

For **SHILCHAR TECHNOLOGIES LIMITED**

ALAY SHAH
M.D.

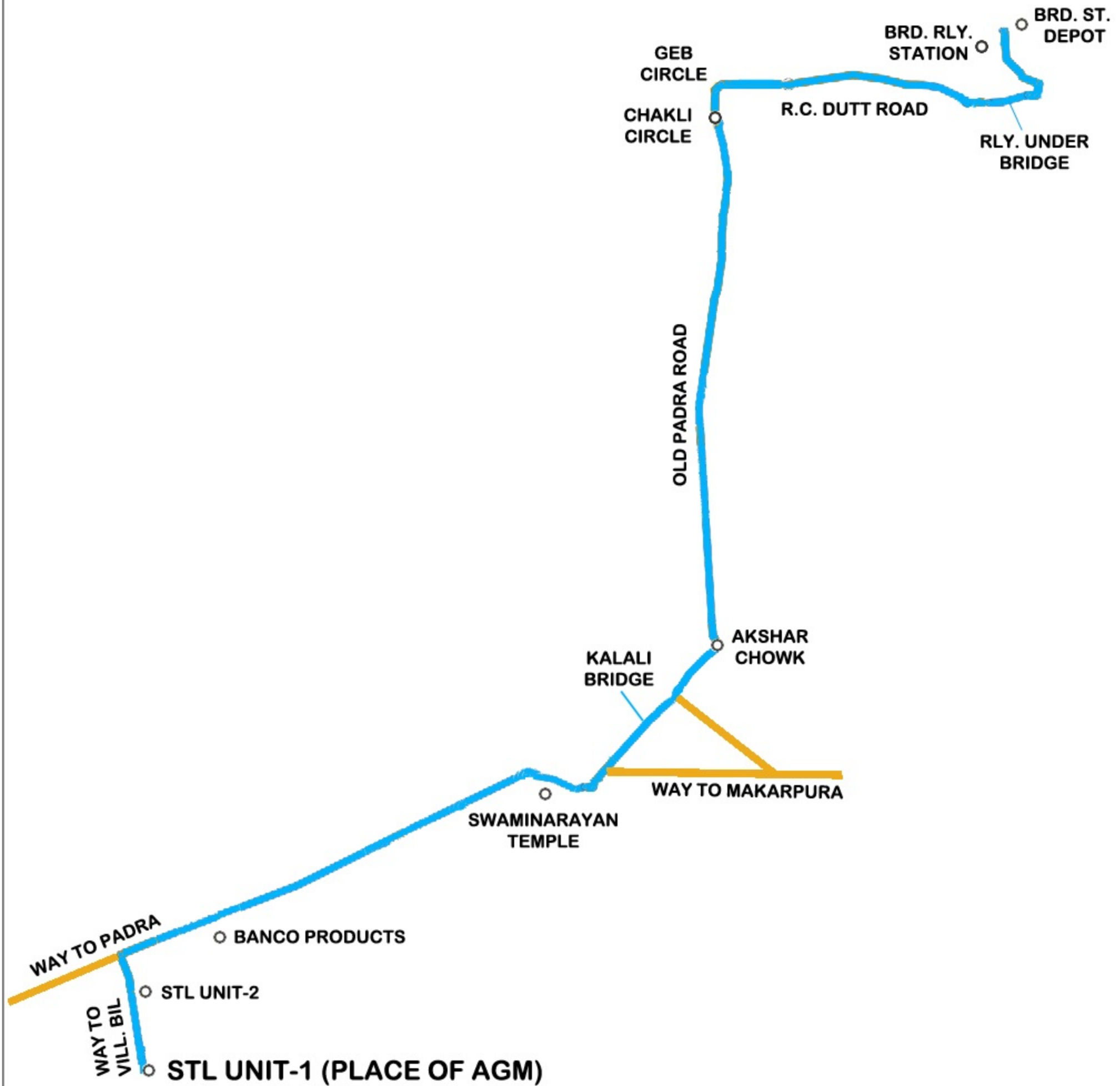
JITENDRA SHAH
CHAIRMAN

PRAJESH PUROHIT
CFO

MAULI BHATT
COMPANY SECRETARY

Place : Vadodara
Date : 06th May 2017

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





**SHILCHAR
TECHNOLOGIES LIMITED**

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