



**ANNUAL REPORT 2019-2020**



## Corporate Information

### BOARD OF DIRECTORS

Mr. Alay J. Shah	Chairman & Managing Director
Mr. O. P. Khanna	Director
Mr. Mukesh D. Patel	Director
Ms. Reshma S. Patel	Director
Mr. Zarksis Parabia	Director
Mr. Rajesh Varma	Director
Mr. Prajesh K. Purohit	CFO
Ms. Niki Tiwari	Company Secretary

### BANKERS

Bank of Baroda  
Standard Chartered Bank  
The Hongkong and Shanghai Banking Corporation Limited  
HDFC Bank Limited

### AUDITORS

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

### REGISTERED OFFICE

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

### REGISTER & TRANSFER AGENT

#### MCS Share Transfer Agent Limited

1st Floor, Neelam Apartment,  
88, Sampatrao Colony  
Above Chappanbhog Sweet,  
Alkapuri, Vadodara - 390 007  
Ph. No. : 0265-231 4757 / 235 0490

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**NOTICE**

NOTICE is hereby given that the Thirty Fourth (34<sup>th</sup>) Annual General Meeting of Members of Shilchar Technologies Limited (the Company) will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility to transact the following business on Friday, 14<sup>th</sup> August, 2020 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 on 31<sup>st</sup> March, 2020 including the Balance Sheet as at March 31, 2020 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.**

“RESOLVED THAT the Audited Financial Statement of the Company, the Boards Report and the Auditors’ Report thereon for the financial year ended on 31st March, 2020 be and are hereby received, approved and adopted.”

- 2. To declare a Dividend on equity shares of the Company for the financial year ended 31<sup>st</sup> March, 2020.**

“RESOLVED THAT the Dividend at the rate of Re. 1/- per Equity Share on 38, 13,400 Equity Shares of Rs.10/- each as recommended by the Board of Directors be and is hereby approved.”

- 3. To appoint a Director in place of Mr. Alay J. Shah (DIN 00263538), who retires by rotation and being eligible, offers himself for re-appointment.**

“RESOLVED THAT Mr. Alay J. Shah (DIN 00257348), a Director of the Company who retires by rotation at this Meeting being eligible for re-appointment, be and is hereby re-appointed as Director of the Company whose period of Office shall be liable to determination by retirement of Director by rotation.”

**Special Business:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the companies (Appointment and Qualification of Directors) Rules, 2014 made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Zarkis Parabia (holding DIN 02667359), Independent Director of the Company be and is hereby reappointed as an Independent Director of the Company to hold office for further term of five consecutive years from March 14, 2021 up to March 23, 2026 whose period of office shall not be liable to determination by retirement by rotation.”

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

“RESOLVED THAT pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. Rajesh Rama Varma (holding DIN: 01034325), who was appointed as Additional Director of the Company by the Board of Directors on 8<sup>th</sup> February, 2020 and who holds office upto the date of this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013 and upon recommendation of Nomination and Remuneration Committee and Board of Directors and in respect of whom a written Notice pursuant to Section 160 of the Companies Act, 2013, has been received from a member signifying his intention to propose Mr. Rajesh Rama Varma as a candidate for the office of Director of the Company, be and is hereby appointed as a Independent Director of the Company to hold office for five consecutive years from 8<sup>th</sup> February, 2020 to 7<sup>th</sup> February, 2025 whose period of office shall not be liable to determination by retirement by rotation.

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

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

**RESOLVED THAT** subject to the provisions of sections 2(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 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 upto Rs. Rs. 15 lacs per month to Shri Alay J. Shah, Managing Director (DIN 00263538) of the Company with effect from 1<sup>st</sup> October, 2020 for a period for 3 years, 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.

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

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

“RESOLVED THAT pursuant to 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.25,000/- excluding out of pocket expenses plus applicable GST to Cost Auditors of the Company M/s. K H Shah & Co, Cost Accountants, Vadodara for the F.Y. 2020-2021.

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

By order of the Board of Directors  
For Shilchar Technologies Limited

Place: Bil, District Vadodara  
Date: 27.06.2020

Niki Tiwari  
Company Secretary

**Details of Directors seeking re-appointment at the forthcoming Annual General Meeting**  
(PURSUANT TO REGULATION 36(3) of THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

Name of Director	Mr. Alay Shah	Mr. Zarksis Parabia	Mr. Rajesh Varma
Date of Birth	04.07.1966	08.09.1973	17.11.1964
Date of Appointment	30.07.2003	14.03.2016	08.02.2020
Expertise in Specific Functional Area	Production, Finance, Marketing & Administration	Transportation of Super Heavy Over Dimensioned equipments, material management and Erection of Power Transformers	Advisor and consultant, Internal Control, Risk assessment
Qualifications	BS (Electronics Engineering Technology)	BE Mechanical	Chartered Accountant
Directors in other public limited companies	Nil	Nil	Nil
Other positions	Nil	Nil	Nil
Membership of committees in other public limited companies	Nil	Nil	Nil
Inter relationship	Nil	Nil	Nil
Shares held in the company	1,045,516	Nil	Nil



**NOTES:**

1. The Register of members and Share Transfer Books of the Company will remain closed from 07/08/2020 to 14/08/2020 (both days inclusive) for annual closing and determining the entitlement of shareholders to the final dividend for 2019-20.
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. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the Annual General Meeting (AGM). For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL.
4. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. **Process for those shareholders whose email ids are not registered:**
  - a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
  - b) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.
9. With effect from April 01, 2014, *inter-alia*, provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Accordingly, Mr. Alay J. Shah, Director will retire at the ensuing annual general meeting and being eligible offers himself for re-appointment.
10. 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.
11. Subject to the provisions of section 126 of the Companies Act, 2013, dividend as recommended by the Directors for the year ended 31<sup>st</sup> March, 2020, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 14/08/2020 and in respect of shares held in dematerialized form, as per the list of beneficial owners furnished to the Company by NSDL/CDSL, as at the close of business on 14/08/2020. The dividend warrants will be posted on or about 04/09/2020.



- 11.1 *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.*
- 11.2 *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.*
- 11.3 *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.*
12. 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 1st Floor, Neelam Apartment, 88, Sampatrao Colony, Above Chappanbhog Sweet, Alkapuri, 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.
13. 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 31.03.2013 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 August, 2020. 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.shilchar.com](http://www.shilchar.com)), as also on the website of the IEPF viz. ([www.iepf.gov.in](http://www.iepf.gov.in)).
14. 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.
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.) on 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 34<sup>th</sup> General Meeting of the Company dated 14<sup>th</sup> August, 2020 (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 34<sup>th</sup> AGM. The members attending the meeting, who have not already cast their votes through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed M/S. Kashyap Shah & Co., Practicing Company Secretaries, Vadodara, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. E–Voting is optional. In terms of requirement of the Companies Act, 2013 and relevant Rules, the Company has fixed 07/08/2020 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. 07/08/2020 only.

The instructions for shareholders voting electronically are as under:



The voting period begins on Tuesday, 11/08/2020 at (IST 10.00 a.m.) and ends on Thursday, 13/08/2020 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. 07/08/2020, (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

Click on Shareholders.

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p>
<p>Dividend Bank Details <b>OR</b> Date of Birth (DOB)</p>	<p>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.</p> <p>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).</p>

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**

- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c) After receiving the login details, User would be able to link the account (s) for which they wish to vote on.
- d) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- e) 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.
- f) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**General:**

- (a) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (b) Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (c) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 07/08/2020.
- (d) Mr. Kashyap Shah, Practising Company Secretary, Vadodara, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (e) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (f) The results shall be declared on or after the AGM of the Company. The e-voting results along with the scrutinizer’s report shall be placed in the Company’s website [www.shilchargroup.com](http://www.shilchargroup.com) and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
- (g) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (h) In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

**18. THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON e-VOTING SYSTEM ARE AS UNDER: -**

- 1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- 2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
- 3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
- 4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.



**19. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id).
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

**ANNEXURE TO THE NOTICE**

Statement pursuant to section 102 of Companies Act, 2013, in respect of Item Nos. 4 to 7 of the Notice:

**Item No.4**

- ❖ The Board of Directors at their meeting held on 14.03.2016, appointed Mr. Zarksis Parabia as an Additional Director of the Company to take effect from 14.04.2016. His appointment was regularized at 30<sup>th</sup> Annual General Meeting held on 13<sup>th</sup> August, 2016, Mr. Zarksis Parabia holds office upto 13<sup>th</sup> March, 2021. Upon the recommendation of Nomination and Remuneration Committee and Board of Directors and Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing the candidature of Mr. Zarksis Parabia for the office of Director.
- ❖ Mr. Zarksis Parabia, aged 47 years, holds a degree in Mechanical Engineering. He has also worked in the position Director of well-known specialized cargo handling transport Company. He is well averse of nitty-gritty of corporate matters.
- ❖ The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Zarksis Parabia as an Independent Director. Accordingly, the Board recommends this resolution.
- ❖ Except Mr. Zarksis Parabia, no other Director or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item no. 4 of the Notice.

**Item No.5**

- ❖ The Board of Directors at their meeting held on 08.02.2020, appointed Mr. Rajesh Rama Varma as an Additional Director of the Company to take effect from 08.02.2020. Mr. Rajesh Rama Varma holds office upto the date of the forthcoming Annual General Meeting. Nomination and Remuneration Committee and Board of Directors have recommended appointment of Mr. Rajesh Rama Varma for the office of Director.



- ❖ Rajesh Rama Varma, aged 56 years is a Chartered Accountant. He has versatile and rich experience in the field of Risk assessment, internal control, corporate governance since last many years.
- ❖ The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Rajesh Rama Varma as an Independent Director. Accordingly, the Board recommends this resolution.
- ❖ Except Mr. Rajesh Rama Varma 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 No5 of the Notice.

**Item No.6**

- ❖ The members at Annual General Meeting held on 11<sup>th</sup> August 2017 made re-appointment of Shri Alay Shah as Managing Director of the Company from 01.10.2017 to 30.09.2022. The members of the Company had also approved the said reappointment and payment of terms of remuneration of Rs. 15 lacs per month to Shri Alay Shah in their Annual General Meeting held on 11<sup>th</sup> August 2017.
- ❖ Shri Alay Shah is son of Mr. Jitendra Shah, the Chairman and founder Director of the Company. He has been associated with the Company as one of the Promoter Directors since its incorporation. He is a bachelor of science with specialization in electronics and possesses more than 27 years of experience in the various areas of business including production, finance, marketing and administration. Shri Alay Shah has been shouldering the responsibility of Managing Director since 1991. During his tenure, the Company has, year after year, achieved sizeable turnover, profitability and also 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 27<sup>th</sup> June, 2020 approved revision of remuneration payable upto Rs. 15 lacs per month to Shri Alay Shah, Managing Director subject to approval of the Central Government for tenure of 01.10.2020 to 30.09.2023. There is no change in other terms of remuneration/ terms of appointment of Shri Alay Shah.
- ❖ The terms of increase of remuneration of Shri Alay Shah, Managing Director are as under:
- ❖ 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 31.03.2016	Turnover: Rs.7,426.55 Lacs Net Profit: Rs.149.77 lacs Debt Equity Ratio : 0.67 Current Ratio: 2:01 Net worth:Rs.6114.58 lacs
4)	Export Performance	Rs. 1,612.72 lacs
5)	Foreign Investment or Collaboration	Nil

**Information about the Appointees:**

**Information about the Appointees:**

Shri Alay Shah has been associated with the Company as one of the Promoter Directors since its incorporation. He is a bachelor of science with specialization in electronics and possesses more than 27 years of experience in the various areas of business including production, finance, marketing and administration.



**Reorganization of Awards:**

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

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

**Job Profile and Suitability:**

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

**Remuneration Proposed:**

Shri Alay Shah, Managing Director, shall be paid consolidated remuneration by way of Salary, perquisites and Allowance upto Rs.15 lacs per month.

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-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.

**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 being a promoter director and holding 27.42% equity shares in the company is concerned or interested as managerial person.

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.6 of this notice.

Except Shri Alay 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.6 of the Notice.

**Item No. 7**

As per the Cost Audit Rule 3A (IV) which are notified by the Ministry of Corporate Affairs on 30<sup>th</sup> June, 2014, the same is applicable to the Company and accordingly the Company is required to keep the Cost Records on or after the 1<sup>st</sup> day of April, 2014, and shall in compliance with the same within one hundred and eighty days of the commencement of every financial year to appoint a cost auditor with the approval of the shareholders.



As per the provisions i.e. Section 148 of the Companies Act, 2013 and as per Companies (Audit & Auditors) Rules, 2014, the proposal of Appointment of Cost Auditors was placed before the Audit Committee and as recommended by Audit Committee along with the remuneration of Cost Auditors, the Board in its meeting held on 27<sup>th</sup> June, 2020 considered and approval the said proposal to appoint M/s. K H Shah & Co., as Cost Auditors of the Company for the F.Y. 2020-21 at the remuneration of Rs.25,000 /- 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.7

The resolutions at Item No.7 of the notice are recommended for approval.

Place: Bil, District Vadodara  
Date: 27.06.2020

By order of the Board of Directors  
For Shilchar Technologies Limited

Niki Tiwari  
Company Secretary



**BOARD'S REPORT**

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report on the business and operations of the Company and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2020.

**1. FINANCIAL RESULTS:**

	[Rupees in Lakhs]	
	<b>2019-20</b>	<b>2018-19</b>
Revenue from Operations	7,127.57	11,838.51
Other Income	298.98	167.29
<b>Total Revenue</b>	<b>7,426.55</b>	<b>12,005.80</b>
Less: Expenses before Interest and Depreciation	6,822.51	10,415.22
Less: (a) Interest	146.08	280.38
(b) Depreciation	259.01	242.96
<b>Profit / (Loss) Before Tax</b>	<b>198.95</b>	<b>1067.24</b>
<b>Less: Tax Expenses</b>		
Current Tax	34.99	238.38
Deferred Tax	13.51	56.59
Short / (Excess ) provision of earlier year	0.67	(2.26)
<b>Profit after Tax</b>	<b>149.77</b>	<b>774.53</b>

**TRANSFER TO RESERVES:**

No amount is transferred to the reserves by the Company.

**2. DIVIDEND:**

Your Directors have recommended a dividend of Rs.1/- per share (i.e. 10%) on Company's paid up equity share capital comprising of 38,13,400 equity shares of Rs. 10/- each.

Thus, the total dividend outgo for the current fiscal will amount to Rs. 38,13,400/-.

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

The Company earned operational income of Rs.7,127.57lacs compared to Rs. 11838.51lacs for the previous year. The other income is Rs.298.98lacs compared to Rs.167.29lacs in the previous year.

The total revenue for the year is Rs.7,426.55lacs against Rs.12,005.80 lacs in the previous year. Profit after tax is Rs.149.77lacs compared to previous year figure of Rs. 774.53lacs.

During the period under review, your company was able to export transformers valuing Rs.16.12 Crores as compared to previous year Rs.37.25Crores.

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

There is no change in nature of business of the Company during the financial year. The Company has prepared the Financial Statements for the Financial Year 2019-2020 in accordance with Indian Accounting Standards (IND-AS).

**COVID-19 Impact:**

The Company has made preliminary assessment on adverse impact on the operations due to COVID-19 pandemic and we are pro-actively taking measures to offset production loss during nationwide lock down in FY 2020-21. However, we believe that the impact is likely to be short term in nature.



**PROSPECTS:**

We expect that post COVID-19, the current economic scenario would show positive signal of growth in power production sector, cement sector, construction, service sectors etc. The Company also looks forward new business from local private sectors but it largely depends on how the new power projects will take place under the initiatives taken by the Central Government.

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

The Company has made investment of around Rs. 35 crores, for new production facility located on Padra – Jambusar highway. The new facility has state-of-the-art with modern equipment and material handling system. The Company has already started manufacturing operations at the new factory and would be able to achieve 100% capacity utilisation in next 2-3 years.

**INSURANCE:**

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

**4. ACCREDITATION:**

Your Company has taken BIS approval for many ratings of transformers during the year. The Company has also received ISO 9001:2015 Certificate for its new plant during year 18-19.

**5. CREDIT FACILITIES:**

To fund expansion at new factory and for working operations, the Company has availed working capital loan and Foreign Currency Term loan from Standard Chartered Bank. Further, the Company has been optimally utilizing its fund based and non fund based working capital requirements as tied up with Bank of Baroda. During the year under review, the Company was comfortable in meeting its financial requirements. Effective financial measures have been continued to reduce cost of interest and bank charges.

**6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year ended on 31/03/2012 was due for remittance on or before 04<sup>th</sup> November, 2019 to the Investor Education and Protection Fund established by the Central Government. Pursuant to the provisions of Section 125 of the Companies Act, 2013, the Company is under process of transfer of 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, 2020 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 end of the financial year to which this financial statement relate on the date of this report.

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

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

**10. RISK MANAGEMENT**

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



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

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

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

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

#### **13. RELATED PARTY TRANSACTIONS**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as **Annexure-III**. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at [www.shilchar.com](http://www.shilchar.com) under investors/ policy documents/Related Party Policy link.

#### **14. DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Alay J. Shah, Director shall retire by rotation and he is eligible for re-appointment. Our founder Promoter and Director Mr. Jitendrabhai Shah passed away on 07.06.2019 due to advance age. The Board places on record its sincere appreciation for his immense contribution for successfully placing the Company on the path of growth and success.

Mr. Rajesh Rama Varma (DIN-01034325) has been appointed as an Additional Director – Non Executive (Independent) for a tenure of 5 years effective from 08.02.2020. Mr. Rajesh Rama Varma is a Fellow Chartered Accountant and has rich experience in Internal Control system and Risk assessment. It is proposed to regularise his appointment as Non-Executive- Independent Director at ensuing Annual General Meeting.

It is proposed to re-appoint Ms. Zarkis Parabia (holding DIN 02667359), Independent Director of the Company for further term of five consecutive years from March 14, 2021 up to March 23, 2026, Mr. Zarkis Parabia has rich experience in Transportation of Super Heavy Over Dimensioned equipments, material management and Erection of Power Transformers. He is well averse of nitty-gritty of corporate matters and the Company will be immensely benefited from his association.

##### **14.1 BOARD EVALUATION**

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

##### **14.2 REMUNERATION POLICY**

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

##### **14.3 MEETINGS**

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

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

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



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

The Independent Directors have submitted their disclosures to the Board that they fulfil 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, Listing Regulations and the relevant rules. The Independent Directors confirm that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that she/he is independent of the management.

##### **Policies**

During the year under review, the Board of Directors of the Company has adopted /approved changes policies in compliance with the recent amendments in the Act and SEBI Listing Regulations.

#### **14.5 WHISTLE BLOWER POLICY**

The Whistle Blower Policy (Vigil Mechanism) was constituted by the Board of Directors, pursuant to Section 177 of the Companies Act, 2013 and the Rules made thereunder to report genuine concerns of Directors and Employees. The Policy has been uploaded on the Company's website and can be accessed at the web link <http://www.shilchar.com/power-distribution/investors-desk.aspx?pg=cm&id=10>.

#### **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.shilchar.com](http://www.shilchar.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 Annual Return will be placed at the website of the Company at Investors Desk in Annual Report option on [www.shilchar.com](http://www.shilchar.com).

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

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

#### **19. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review. No Unsecured loan availed from Directors during the year.

#### **20. AUDITORS**



## **20.1 STATUTORY AUDITORS**

The Company at 32<sup>nd</sup> Annual General Meeting held on 13.08.2018 made an appointment of M/s. CNK & Associates LLP, Chartered Accountants, Vadodara as Statutory Auditors to hold the office for term of 5 years until the conclusion of the 37<sup>th</sup> Annual General Meeting. The auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India and have conveyed their eligibility to continue to hold the office for remaining term.

## **20.2 SECRETARIAL AUDIT**

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

## **20.3 INTERNAL AUDITORS**

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

## **21. OBSERVATION OF AUDITORS**

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

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

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

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

## **23. SHARES**

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

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

### **b. SWEAT EQUITY**

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

### **c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

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

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

## **24. CORPORATE GOVERNANCE:**

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

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

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



**26. PARTICULARS OF EMPLOYEES:**

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

Particulars	Name of the Employee: Mr Alay Shah
Designation of the Employee	Managing Director*
Remuneration Received	Rs.10,253,403/-
Nature of Employment, whether contractual / otherwise	Permanent
Qualification and experience of the Employee	29 years
Date of commencement of employment	1990
The age of the employee	54 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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 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 2019-20	Ratio of remuneration of each Director / to median remuneration of employees
1.	Mr. Alay Shah, Managing Director	(0.47%)	47.05:1
2.	Mr. Prajesh Purohit, Chief Financial Officer	23.6%	5.87:1
3	Ms. Niki Tiwari, Company Secretary	(0.6.45%)	0.88:1

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 Rs2.03lacs.
- iii) In the financial year, there was an increase of 3.2% in the median remuneration of employees;
- iv) Therewere 126 permanent employees on the rolls of Company as on March 31, 2020
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 5.80% whereas the decrease in the managerial remuneration for the same financial year was 0.47%.
- vi) Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

None of the Directors of the Company are in receipt of any commission from the Company.



**27. COST AUDIT& COST RECORDS**

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 2019-20.

**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. No complaint is outstanding as on March 31, 2020 for redressal.

(i) number of complaints filed during the financial year:- Nil

(ii) number of complaints disposed of during the financial year:- Nil

(iii) number of complaints pending as at the end of the financial yea: Nil

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

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

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

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

**32. ACKNOWLEDGEMENTS**

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

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

Place: Bil, District Vadodara  
Date: 27.06.2020

ALAY SHAH  
MANAGING DIRECTOR  
(DIN- 00263538)

**Annexure- I to the Director s Report 2019-20**

Particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31<sup>st</sup>March, 2020

Sr. No.	Particulars		
<b>[A]</b>	<b>Conservation of Energy:</b>		
(a)	Energy conservation measures taken:		
1.	Application of Gas based Ovens.		
2.	The lighting changed to Picture Tube Lights (PL)		
3.	The Company set up a wind mill project to generate eco friendly electricity, being used for captive consumption.		
4.	The numbers as well as capacity of capacitors changed to achieve improved power factor.		
5.	The consumption of Diesel is under close supervision.		
6.	Putting thrust on developing energy efficient transformers.		
(b)	Additional investments and proposals if any, being implemented for reduction of consumption of energy:-		
(c)	Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Saving in power cost		
(d)	Total energy consumption and energy consumption per unit of production as per prescribed <b>Form A:</b>		
<b>A.</b>	<b>Power &amp; Fuel Consumption</b>	<b>2019-20</b>	<b>2018-19</b>
1.	<b>Electricity:</b>		
a)	Purchased		
	Unit	1,011,053	1,234,010
	Total Amount (in Rs.)	8,075,888	9,592,933
	Rate/ Unit	7.99	7.78
b)	<b>Own Generation:</b>		
i)	Through Diesel Generator		
	Diesel Qty (in Ltr)	1,911	680
	No. of Units Generated	6,936	2,380
	Total Amount ( inRs.)	129,965	49,799
	Unit per Ltr of Diesel Oil	3.63	3.50
	Total Cost per Unit	18.70	20.92
ii)	Through Steam	Nil	Nil
	Turbine/ Generator	—	—
	Unit	—	—
	Units per Ltr. of Fuel Oil/ Gas	—	—
2.	Coal (Specify quantity and - where used)	NIL	NIL
3.	Furnace Oil:		
	Quantity in Liters	NIL	NIL
	Total Amount	NIL	NIL
	Average Rate/ Liter	NIL	NIL



<b>4.</b>	Others:		
<b>a)</b>	Light Diesel Oil:		
	LDO Consumed in Liters	NIL	NIL
	Total Amount	NIL	NIL
	Average Rate/ Liter	NIL	NIL
<b>b)</b>	Wind Generation:		
	Generated Units	462,782	465,172
	Total Amount	2,549,829	3,174,588
	Average Rate/ Unit	5.50	6.82

**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 31.03.2019, the Company spent Rs.54.60lacs on R & D activities, being 0.72% of its total turnover, as compared to Rs.44.75lacs, being 0.36% 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	2019-20	2018-19
01.	Earning from Export during the year	161,270,561	372,528,739
02.	Outgo: a) CIF value of Imports	16,393,581	15,566,375
	b) Expenditure in foreign currency	478,565	1,209,150
	c) Travelling	1,256,655	1,454,640

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

Place: Bil, District Vadodara  
Date: 27.06.2020

ALAY SHAH  
CHAIRMAN & MD  
(DIN- 00263538)





**Annexure-III**

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)  
Form for disclosure of particulars of contracts/arrangements entered into by the company

With related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso is given below:

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

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

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

S.N.	Particulars	Details			
		Mr. Ashesh Shah	Mr. Aashay Alay Shah	Mr. Alay Shah	Mr. Aatman Alay Shah
a)	Name(s) of the Related Party	Mr. Ashesh Shah	Mr. Aashay Alay Shah	Mr. Alay Shah	Mr. Aatman Alay Shah
b)	Nature of relationship	Related to Mr. Alay Shah, MD	Related to Mr. Alay Shah, MD	Director	Related to Mr. Alay Shah, MD
c)	Nature of contracts/ arrangements /transactions	Professional Fees	Employment	Employment	Employment
d)	Duration of the contracts / arrangements/transactions	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020
e)	Salient terms of the contracts or arrangements or transactions including the value, if any	Professional fees of Rs. 125,000/- per month against availing marketing services	Working as Manager (Operations). Salary of Rs. 140,000/- per month.	Director Remuneration Rs. 797,600/-	Working as Manager (Operations) Salary of Rs. 87,568/- per month.
f)	date(s) of approval by the Board, if any	N.A.	N.A.	N.A.	N.A.
g)	Amount paid as advances, if any:	NIL	NIL	NIL	NIL

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

Place: Bil, District Vadodara  
Date: 27.06.2020

ALAY SHAH  
CHAIRMAN & MD  
(DIN- 00263538)



**Form No. MGT-9**

**Annexure IV- EXTRACT OF ANNUAL RETURN**

as on the financial year ended on **31.03.2020**

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

<b>I. REGISTRATION AND OTHER DETAILS:</b>			
i)	CIN	:	L29308GJ1986PLC008387
ii)	Registration Date	:	13/01/1986
iii)	Name of the Company	:	Shilchar Technologies Limited
iv)	Category / Sub-Category of the Company	:	Public Company having Share Capital (Limited by Shares)
v)	Address of the Registered office and contact details	:	Bil Road Bil District Baroda Vadodara-391410 Telephone : 0265-2680466 Fax Number : 0265-2680611 Email : ppurohit@shilchar.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 1st Floor, Neelam Apartment, 88 Sampatrao Colony, Above Chappanboug Sweet, Alkapuri, Vadodara-390 007 Tele No: 0265-2314757 Fax No: 0265-2341639 E-mail: mcsltbaroda@gmail.com

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

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

<b>IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>									
<b>i) Category-wise Share Holding</b>									
Category of Shareholders	No. of Shares held at the beginning of the year – 01.04.2019				No. of Shares held at the end of the year – 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2,511,075	Nil	2,511,075	65.85	2,511,075	Nil	2,511,075	65.85	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



c) State govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corpo.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1):-</b>	<b>2,511,075</b>	<b>Nil</b>	<b>2,511,075</b>	<b>65.84</b>	<b>2,511,075</b>	<b>Nil</b>	<b>2,511,075</b>	<b>65.85</b>	<b>Nil</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corpo.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2,511,075</b>	<b>Nil</b>	<b>2,511,075</b>	<b>65.84</b>	<b>2,511,075</b>	<b>Nil</b>	<b>2,511,075</b>	<b>65.85</b>	<b>0.01</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	21,498	Nil	21,498	0.56	21,498	Nil	21,498	0.56	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(S)	15,600	Nil	15,600	0.41	15,600	Nil	15,600	0.41	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) Foreign Portfolio Investor	41,805	Nil	41,805	1.10	63,303	Nil	63,303	1.66	0.56
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	<b>78,903</b>	<b>Nil</b>	<b>78,903</b>	<b>2.07</b>	<b>78,903</b>	<b>Nil</b>	<b>78,903</b>	<b>2.07</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	63,968	Nil	63,968	1.68	28,121	Nil	28,121	0.74	0.64
ii) Overseas	289,653	Nil	289,653	7.60	289,653	Nil	289,653	7.60	Nil
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 2 Lakh	290,224	23,900	314,124	8.24	338,781	23,100	361,881	9.49	1.25



ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	28,040	NIL	28,040	0.74	28,,040	NIL	28,040	0.74	NIL
c) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Individual	513,029	1000	514,029	13.47	507,457	1000	508,457	13.33	-0.14
HUF	13,583	Nil	13,583	0.35	7,245	Nil	7,245	0.19	-0.16
Trust & Foundation	Nil	Nil	Nil	Nil	25	Nil	25	0.00	Nil
<b>Sub-total (B)(2):-</b>	<b>1,198,522</b>	<b>24,900</b>	<b>1,223,422</b>	<b>32.08</b>	<b>1,199,322</b>	<b>24,100</b>	<b>1,223,422</b>	<b>32.08</b>	<b>NIL</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1,277,425</b>	<b>24,900</b>	<b>1,302,325</b>	<b>34.15</b>	<b>1,278,225</b>	<b>24,100</b>	<b>1,302,325</b>	<b>34.15</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>3,788,500</b>	<b>24,900</b>	<b>3,813,400</b>	<b>100.00</b>	<b>3,788,9300</b>	<b>24,100</b>	<b>3,813,400</b>	<b>100.00</b>	<b>NIL</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year – 01.04.2019			Shareholding at the end of the year – 31.03.2020			% change in holding during the year
		No. of shares of	% of total Shares the Company	% of Shares Pledged / encumbered to total shares	No. of shares of	% of total Shares the Company	% of share	
1.	Alay Jitendra Shah	1,045,516	27.42	NIL	1,045,516	27.42	NIL	No Change
2.	Shilpa Alay Shah	401,970	10.54	NIL	401,970	10.54	NIL	No Change
3.	Aatman Alay Shah	394,382	10.34	NIL	394,382	10.34	NIL	No Change
4.	Aashay Alay Shah	394,382	10.34	NIL	394,382	10.34	NIL	No Change
5.	Alay Jitendra Shah (HUF)	274,825	7.21	NIL	274,825	7.21	NIL	No Change
	Total	2,511,075	65.84		2,511,075	65.85		



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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year – 01.04.2019			Shareholding at the end of the year – 31.03.2020			% 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	
-		-	-	NIL	-	-	-	-

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

Sl. No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	<b>For Each of the Top 10 Shareholders</b>				
1.	Shah Family LLC	259,004	6.79	259,004	6.79
2.	Raju Kirti Shah	186,850	4.90	186,850	4.90
3.	Ravi Kirti Shah	186,850	4.90	186,850	4.90
4.	KirtikantParshotamdas Shah	49,976	1.31	49,976	1.31
5.	Hayyan Ali Malallah Al Lawati	41,805	1.0936	41,805	1.0936
6.	Custom Magnetics Inc	30,649	0.8037	30,649	0.8037
7.	Garden View Meadows Pvt. Ltd.	29,000	0.7605	0	0
8.	Chirag Surendrabhai Shah	28,040	0.73	28,040	0.73
9.	Kitara India Small & Micro Cap Opportunity Fund (Ceic) Limited	21,498	0.5637	21,498	0.5637
10	Rajiv Garg	15,500	0.4064	19,750	0.579
10.	Keshav Garg	17,406	0.4564	17,750	0.4655
11	Firoze Irani	16,358	0.4290	15,800	0.4143

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

Sl. No.	Name	Particulars	Shareholding at the end of the year		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1.	Mr. Jitendra Chimanlal Shah	Chairman	00	0.00	100	0.00
2.	Mr. Alay Jitendra Shah	Managing Director	1,045,516	27.42	1,045,516	27.42
3.	Mr. Om Prakash Khanna	Independent Director	NIL	NIL	NIL	NIL
4.	Mr. Mukesh DahyabhaiPatel	Independent Director	NIL	NIL	NIL	NIL
5.	Mr. ZarkisParabia	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.	Mrs. Niki Tiwari	Company Secretary	NIL	NIL	NIL	NIL



**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total IndebtednessRs.
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	132,921,574	Nil	Nil	132,921,574
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	132,921,574	Nil	Nil	132,921,574
<b>Change in Indebtedness during the financial year</b>				
- Addition	Nil	30,000,000	Nil	30,000,000
- Reduction	18,405,208	Nil	Nil	18,405,208
<b>Net Change</b>	114,516,366	30,000,000	Nil	144,516,366
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	114,516,366	30,000,000	Nil	144,516,366
ii) Interest due but not paid	Nil	192,329	Nil	192,329
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	114,516,366	30,192,329	Nil	144,708,695

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

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

Sr. No.	Particular of Remuneration	Mr. Alay J. Shah, Managing Director
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	10,186,435 Nil 66,698 NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission- as % of Profit- Others, Specify.....	NIL
5.	Others, please specify	NIL
	Total (A)	10,253,403

B. Remuneration to other Directors:

1. Independent Directors

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



**2. Other Non-Executive Director**

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

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Prajesh Purohit CFO (Amount in Rs.)	Ms. Niki Tiwari CS (Amount in Rs.)
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,048,024	210,240
	(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
	<b>Total</b>	<b>1,048,024</b>	<b>210,240</b>

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

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

**For SHILCHAR TECHNOLOGIES LIMITED**

**ALAY J. SHAH  
CHAIRMAN & MD  
DIN: 00263538**

Date: 27.06.2020

Place: Vadodara



Annexure -V  
Secretarial Audit Report

(For the Financial year ended on 31st March, 2020)

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

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31<sup>st</sup> March, 2020, 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.
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, 2018. - Not Applicable to the Company during the Audit Period;
  - D. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - 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, 2009. - Not Applicable to the Company during the Audit Period; and
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. - Not Applicable to the Company during the Audit Period;



A. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the period under review, the Company has complied with the provisions of the Act, Rules, *Regulations, Guidelines, Standards etc. mentioned above except the Company could not intimate the Stock Exchange in advance as required under the provisions of Regulation 29 (2)/ 29(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding calling Board Meeting for recommendation of dividend on 25<sup>th</sup> May, 2019. Moreover, the Company is under process of transfer of 2401 Equity shares to IEPF authority for which dividend remained unclaimed/ unpaid for 7 consecutive years which was due on 5<sup>th</sup> October, 2019.*

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, at the Annual General Meeting held on 10<sup>th</sup> August, 2019, Special Resolution was passed for re-appointment of Ms. Reshma Patel as Non-Executive Independent Director of the Company for further term of five consecutive years from March 27, 2020 up to March 26, 2025.

**For Kashyap Shah & Co.  
Practising Company Secretaries  
Place: Vadodara  
Date: June 11, 2020**

**(Kashyap Shah)  
Proprietor**

**FCS No. 7662; CP No. 6672  
UDIN: F007662B000335981**

**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**

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.  
Practicing Company Secretaries  
Place: Vadodara  
Date: June 11, 2020

(Kashyap Shah)  
Proprietor

FCS No. 7662; CP No. 6672  
UDIN: F007662B000335981



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

**Annexure- VI to the Director's Report 2019-20**

**Management Discussion and Analysis**

**a) Industry Structure and Developments**

India Power & Distribution Transformer Market is projected to grow at a CAGR of 3.0% during 2020-26. Government is taking major steps to strengthen the power transmission & distribution network and has undertaken initiatives such as UDAY for financial turnaround of power distribution companies. Further, the Indian Government envisages an addition of about Rs 1 lakh ckm of transmission lines and Rs 2.9 lakh MVA of transformation capacity between 2017-2022 to strengthen the transmission network thus increasing the demand for power transformers. The distribution transformers are also expected to dominate the market, due to owing to rapidly increasing industrial and infrastructural development activities thereby increasing number of load centers across the world.

**b) Opportunities**

Countries in the Middle-East and African region are also investing in the expansion and restructuring of distribution power grids, which increases the growth prospects of the distribution transformer market segment. Another important growth driver is the growing demand for smart transformers driven by the establishment of smart power grids intended to respond to power requirements from load centers. Increasing share of renewable energy sources in the energy mix is expected to further fuel the demand for smart transformers as these devices offers multiple outputs as well as capable of working on a broad frequency range.

**c) Threats**

Due to COVID-19 pandemic it is apprehended that there would be adverse impact on world GDP which may impact ongoing projects. Further, changes in government policies in tax structures coupled with increasing competition from domestic and foreign players could lead to margin contraction due to pricing pressure. Some of the larger global players are already present in India. Since the industry is not very capital intensive, more local & foreign players could enter the market in future.

**d) Segment wise performance**

Your Company is engaged in manufacturing of Distribution Transformers ranging from 5 KVA to 3000 KVA and Power Transformers ranging from 3000 KVA to 50,000 KVA. The Company also manufactures solar and windmill transformers for renewable energy sector.

**e) Outlook**

In the present scenario, Your company has concentrated on updating its technical capabilities to develop transformers of latest technology and design and in turn strengthen its market share and improvise its profitability. However, growing Indian economy, growth in electricity consumption, growing industrial demand, expanding export market, large scale generation capacity addition, setting up of national grid, rapid expansion of urban and rural distribution infrastructure will remain key drivers of the transformer market in India.

**f) Risks and concerns**

The industry faces risk of continuing volatility in raw material prices, uncertainty in tax policy of the Governments, meager investments in the sector of solar energy, wind energy, green energy projects and green transformers.



**g) Internal control system**

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

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

The Company earned operational income of Rs.7,127.57 lacs compared to Rs. 11,838.51 lacs for the previous year. The other income is Rs.298.98 lacs compared to Rs.167.29 lacs in the previous year. The total revenue for the year is Rs.7,426.55lacs against Rs.12,005.80 lacs in the previous year. Profit after tax is Rs.149.77 lacs as compared to previous year figure of Rs.774.53 lacs.The Company has concentrated on catering needs of renewable energy sector including solar and wind energy in local market wherein the Company has been enjoying commendable position being one of the top companies in India supplying transformers for renewable energy.

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

Your Company continued its activities during the year in a cordial atmosphere with utmost co-operation amongst employees and the management. As of the date of the report, the total numbers of the employees of Company are 110. 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	05	83.33
Other Non-Executive Directors including the Chairman	0	0
Executive Director (Managing Director)	01	16.67
Total	06	100.00

As of the year ended 31<sup>st</sup> March, 2020, the Board of Directors had 6 (six) members that includes one woman director. The Board comprises of 5 (Five) Non-Executive Directors and Mr. Alay Shah, Managing Director, being the only Whole time/ Executive Director. The Mr. Alay Shah, Chairman of the Board is an Executive Director.

The Non-Executive Directors included Mr. O. P. Khanna, Mr. Mukesh D. Patel, Mr. Zarksis J Parabia and Mrs. Reshma Patel and Mr. Rajesh Varma who are 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
25.05.2019	06	05
10.08.2019	05	04
09.11.2019	05	03
08.02.2020	06	04

**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
	25-05-2019	10-08-2019	09-11-2019	08-02-2020	% of Attendance	
Mr. Jitendra C. Shah (ceased due to death on 07.06.2019)	√	N.A.	N.A.	N.A.	100	N.A.
Mr. Alay J. Shah	√	√	√	√	100	√
Mr. Mukesh D. Patel	√	√	√	√	100	√
Mr. O. P. Khanna	√	-	-	-	25	-
Ms. Reshma Patel	-	√	-	√	50	√
Mr. Zarksis J Parabia	√	√	√	√	100	√
Mr. Rajesh R Varma	N.A.	N.A.	N.A.	-	0	N.A.

**(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		Name of other Listed company in which holding directorship & category
		Chairman	Member	
Mr. Jitendra C Shah-Chairman (Upto 07.06.2019)	01	NIL	NIL	NIL
Mr. Alay Shah Managing Director	01	NIL	NIL	NIL
Mr. Mukesh Patel Independent Director	03	2	4	PUNJAB CHEMICALS AND CROP PROTECTION LIMITED(Independent Non executive Director), BANCO PRODUCTS (INDIA) LIMITED (Independent non executive Director)
Mr. O. P. Khanna Independent Director	02	NIL	NIL	NIL
Mr. Zarksis J. Parabia Independent Director	03	NIL	NIL	NIL
Mrs. Reshma Patel Independent Director	01	NIL	NIL	NIL
Mr. Rajesh Varma, Independent Director	01	NIL	NIL	NIL



**(d) Directors Profile & Chart of skill/ expertise/ competence of Board of Directors:-**

The Board of Directors consists of multifaceted experienced directors in different field. A brief profile of all the Directors which outlines their expertise and competence on the Board is given herein below:

**Mr. Alay Shah**

Mr. Alay Shah, aged 54 years, is son of Late Shri 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 30 years of experience in the various areas of business including production, finance, marketing and administration. Besides, he holds membership in Shareholders and Investor Grievance Committee of the Company and attends meetings of the Audit Committee as Invitee.

**Mr. Om Prakash Khanna**

Mr. Om Prakash Khanna, aged 82 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 71 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 and member of Nomination and Remuneration Committee and CSR committee.

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

**Mrs. Reshma Patel :**

Ms. Reshma Patel, aged 60 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 46 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.

**Mr. Rajesh Varma:**

Mr. Rajesh Varma, aged 56 years and holds the qualification of B.com (University of Mumbai) and FCA (ICAI). He is a Senior Professional – Advisor and Consultant. His areas of specialization are internal controls, risk assessment and Corporate Governance. In addition, he has also undertaken several business valuations on behalf of foreign / domestic Companies and for Private Equity funds. He has also served as a member of the Expert Committee on Power and Energy conservation of the Bombay Chamber of Commerce and Industry.

**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 31.03.2020 and details of the Members participation at the Meetings of the Committee are as under:**

As on 31<sup>st</sup> March 2020, the Audit Committee comprised of 3 Non-Executive and Independent Directors viz. Mr. Mukesh Patel, Mrs. Reshma Patel and Mr. Zarksis J Parabia, with the Mr. Alay Shah, being a Permanent Invitee to the Committee.

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

Four meetings were held during the financial year 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020. The attendance of each Member of the Committee is given below:

Name of Director	Category	Attendance at Audit Committee Meetings held on				% of
		25-05-2019	10-08-2019	09-11-2019	08-02-2020	
Mr. Mukesh D. Patel	Independent Director	√	√	√	√	100
Ms. Reshma Patel	Independent Director	-	√	-	√	50
Mr. Zarksis J Parabia	Independent Director	√	√	√	√	100

**4. Nomination and Remuneration Committee**

**(a) Terms of Reference**

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

**(b) The Composition of the Nomination and Remuneration Committee as at 31.03.2020 and details of the Members participation at the Meetings of the Committee are as under:**

As on 31<sup>st</sup> March, 2020, the Committee comprised of 3 Non-Executive Directors viz. Ms. Reshma Patel and Mr. Zarksis J Parabia, and Mr. Mukesh Patel being Independent Directors. Mr. Zarksis J Parabia is Chairman of the Committee.

Name of Director	Category	Attendance at Nomination and Remuneration Committee Meetings held on		% of Attendance
		25-05-2019	08-02-2020	
Ms. Reshma Patel	Independent Director	√	√	100
Mr. Jitendra Shah (Upto 07.06.2019)	Promoter Director	√	N.A.	100
Mr. Zarksis J Parabia	Independent Director	√	√	100
Mr. Mukesh Patel	Independent Director	N.A.	√	100



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

**Sitting Fees**

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

**Managing and Executive Directors**

The Company pays remuneration to its Managing Director by way of salary, allowances and perquisites as per the Company's rules. The salary and other perquisites are approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and the salary is paid within the overall limits approved by the members of the Company. The Board on the recommendation of Nomination and Remuneration Committee approves the annual increment effective 1<sup>st</sup> April each year.

The Remuneration paid to the Directors is as under:

Sr. No.	Name of Director	Basic Salary Rs.	Perquisites & Allowances	Sitting Fees Rs.	Bonus Rs.	Professional Fees Rs.	Total Rs.
1.	Shri Jitendra C. Shah (upto 07.06.2019)	NIL	NIL	NIL	NIL	NIL	NIL
2.	Shri Alay J. Shah	10,179,435	66,968	NIL	7,000	NIL	10,253,403
3.	Shri O. P. Khanna	NIL	NIL	20,000	NIL	NIL	20,000
4.	Shri Mukesh D. Patel	NIL	NIL	105,000	NIL	NIL	105,000
5.	Smt. Reshma Patel	NIL	NIL	105,000	NIL	NIL	105,000
6.	Shri Zarksis J Parabia	NIL	NIL	75,000	NIL	NIL	75,000

No sitting fee is paid to Executive Directors.

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

**1. Introduction: Remuneration Policy**

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

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

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

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

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



#### **Board Membership Criteria**

- Educational background, business experience and skills
- Charter, 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 / Whole time 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. Corporate Social Responsibility Committee**

Corporate Social Responsibility Committee of the Company has been constituted in compliance with the statutory requirement. As on 31.03.2020, Mr. Alay Shah (Managing Director), Mr. O P Khanna, Non Executive- Independent Director and Mr. Mukesh Patel, Non Executive- Independent Director are members of the Committee. One CSR Meeting was held on 25.05.2019 and all members were present.

**Terms of Reference**

The powers, role and terms of reference of Sustainability and Corporate Social Responsibility Committee covers the areas as contemplated under Section 135 of the Act. The brief terms of reference of Sustainability and Corporate Social Responsibility Committee are as under:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken as specified in prescribed Schedule;
- (b) To Suggest areas of intervention to the Board of Directors;
- (c) To Approve projects that are in the line with CSR policy;
- (d) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (e) To monitor the Corporate Social Responsibility Policy from time to time.

**CSR Policy**

The CSR Policy of the Company is available on the website of the Company at [www.shilchar.com](http://www.shilchar.com)

**11. 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 27/06/2020.

**12. 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.shilchar.com](http://www.shilchar.com) under investors/ policy documents / independent directors' letters link.

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

The Board has done evaluating the performance of Non-executive and Independent Directors for the financial year ended on 31/03/2020. 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 08/02/2020 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.

**13. Stakeholder's Relationship Committee**

As on 31<sup>st</sup> March, 2020, the Stakeholder's Relationship Committee comprised of Mr. Mukesh D. Patel Chairman, Mrs. Reshmaben Patel, Mr. Zarksis J Parabia. Mrs. Niki Tiwari, 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 31.03.2020 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
		25-05-2019	10-08-2019	09-11-2019	08-02-2020	
Mr. Mukesh D. Patel	Independent Director	√	√	√	√	100
Mr. Zarksis parabia	Independent Director	√	√	√	√	100
Mrs. Reshmaben Patel	Independent Director	-	√	-	√	50

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

Sr. No.	Nature of Complaints	2019 - 20		2018-19	
		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

**13. General Body Meetings:**

Location and time for the last three AGMs:

Year	Date	Venue	Time	Special Resolution(s)
2016-17	11/08/2017	Shilchar Technologies Limited Bil Road, Bil 391 410 District Vadodara.	10.00 a.m.	Re-appointment of Mr. Jitendra Shah Appointment of M/s.CNK & Associates LLP., Chartered Accountants, Vadodara as Statutory Auditor Re-appointment of Mr. Alay J. Shah as Managing Director
2017-18	13/08/2018	Shilchar Technologies Limited Bil Road, Bil 391 410 District Vadodara.	10.00 a.m.	Re-appointment of Mr. Om Prakash Khanna and Mr. Mukesh Patel as Independent directors.To pay remuneration to M/s. K.H.Shah & co, Cost Accountants, Vadodara as cost Auditor.
2018-19	10/08/2019	Shilchar Technologies Limited Bil Road, Bil 391 410 District Vadodara.	10.00 a.m.	Re-appointment of Ms. Reshma Patel as Independent director.To pay remuneration to M/s. K.H.Shah & co, Cost Accountants, Vadodara as cost Auditor.



**Postal Ballot:**

Pursuant to the provisions of Section 110 of the Companies Act, 2013, there were no Resolutions passed through Postal Ballot during the financial year 2019-20.

**14. Disclosure**

**(I) Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large:**

All transactions entered into with related parties as defined under the Act, and Regulation 23 of the Listing Regulations during FY 2019-20 were in the ordinary course of business and on arm's length pricing basis and therefore no approval of the Board of Directors/ Shareholders is applicable under the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year 2019-20 which were in conflict with the interest of Company. Suitable disclosures as required by Indian Accounting Standards (Ind AS 24) have been made in the notes to the Financial Statements. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

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.shilchar.com](http://www.shilchar.com).

**(ii) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a. number of complaints filed during the financial year: Nil
- b. number of complaints disposed of during the financial year:- Nil
- c. number of complaints pending as on end of the financial year:- Nil

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

The Company inadvertently missed reporting of advance intimation of Board Meeting for recommending dividend on 25<sup>th</sup> May, 2019. The Company has paid late submission fine as imposed by BSE Ltd. Except above, 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.

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

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

**15. Means of Communication**

(a)	Half – yearly report sent to each household of shareholders	:	No, as the results of the Company are published in the Newspapers.
(b)	Quarterly results - Newspapers in which results are normally published in	:	English and Gujarati newspapers
(c)	Any website, where displayed	:	<a href="http://www.shilchar.com">www.shilchar.com</a>
(d)	Whether it also displays official news releases	:	Yes
(e)	The presentations made to institutional investors or to the analysts	:	NIL

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



**16. General Shareholder information**

(a)	34 <sup>th</sup> AGM Date, Time and Venue	:	Friday, 14 <sup>th</sup> August, 2020 at 10.00 a.m. at Shilchar Technologies Limited, Bil Road, Bil, District Vadodara - 391 410.																																																				
(b)	Financial calendar	:	<table border="1"> <tr> <td>i.</td> <td>April 2020 to March 2021</td> </tr> <tr> <td>ii.</td> <td>First Quarter 2020 Results – on or before 30<sup>th</sup> June, 2020</td> </tr> <tr> <td>iii.</td> <td>Second Quarter/ Half yearly Results 2020 – on or before 15<sup>th</sup> November, 2020</td> </tr> <tr> <td>iv.</td> <td>Third Quarter 2020 Results – on or before 15<sup>th</sup> February, 2021</td> </tr> <tr> <td>v.</td> <td>Audited Results for the Fourth Quarter/ Year ending 31<sup>st</sup> March 2021, - on or before 31<sup>st</sup> May, 2021.</td> </tr> </table>	i.	April 2020 to March 2021	ii.	First Quarter 2020 Results – on or before 30 <sup>th</sup> June, 2020	iii.	Second Quarter/ Half yearly Results 2020 – on or before 15 <sup>th</sup> November, 2020	iv.	Third Quarter 2020 Results – on or before 15 <sup>th</sup> February, 2021	v.	Audited Results for the Fourth Quarter/ Year ending 31 <sup>st</sup> March 2021, - on or before 31 <sup>st</sup> May, 2021.																																										
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(c)	Date of Book closure	:	07/08/2020 to 14/08/2020 (both days inclusive)																																																				
(d)	Dividend Payment date	:	On or after 14/08/2020 , if declared at Annual General Meeting on 14/08/2020																																																				
(e)	Listing on Stock Exchange.	:	The Company has paid Listing Fees for the period 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March 2021 to BSE Limited.																																																				
(f)	(i) Stock Code – Physical (ii) Demat ISIN Number for NSDL & CDSL	:	531201 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 2019-20 at the Stock Exchange, Mumbai were as under.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>High</th> <th>Low</th> <th>Close</th> </tr> </thead> <tbody> <tr> <td>Apr-19</td> <td>344.00</td> <td>300.00</td> <td>302.90</td> </tr> <tr> <td>May-19</td> <td>330.00</td> <td>252.05</td> <td>278.85</td> </tr> <tr> <td>Jun-19</td> <td>327.00</td> <td>260.10</td> <td>270.05</td> </tr> <tr> <td>Jul-19</td> <td>324.90</td> <td>222.00</td> <td>237.65</td> </tr> <tr> <td>Aug-19</td> <td>277.80</td> <td>167.10</td> <td>188.80</td> </tr> <tr> <td>Sep-19</td> <td>188.80</td> <td>166.50</td> <td>172.00</td> </tr> <tr> <td>Oct-19</td> <td>185.00</td> <td>157.25</td> <td>166.00</td> </tr> <tr> <td>Nov-19</td> <td>181.10</td> <td>141.55</td> <td>148.70</td> </tr> <tr> <td>Dec-19</td> <td>148.00</td> <td>130.05</td> <td>141.00</td> </tr> <tr> <td>Jan-20</td> <td>155.95</td> <td>140.65</td> <td>141.00</td> </tr> <tr> <td>Feb-20</td> <td>151.00</td> <td>133.20</td> <td>135.10</td> </tr> <tr> <td>Mar-20</td> <td>136.90</td> <td>77.90</td> <td>77.90</td> </tr> </tbody> </table>	Month	High	Low	Close	Apr-19	344.00	300.00	302.90	May-19	330.00	252.05	278.85	Jun-19	327.00	260.10	270.05	Jul-19	324.90	222.00	237.65	Aug-19	277.80	167.10	188.80	Sep-19	188.80	166.50	172.00	Oct-19	185.00	157.25	166.00	Nov-19	181.10	141.55	148.70	Dec-19	148.00	130.05	141.00	Jan-20	155.95	140.65	141.00	Feb-20	151.00	133.20	135.10	Mar-20	136.90	77.90	77.90
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(h)	Stock Performance in comparison to Broad-based indices BSE Sensex.	:	N.A.																																																				
(i)	Registrar and Transfer Agents	:	<p>M/s. MCS Share Transfer Agent Limited CIN: U67120WB2011PLC165872 Administrative Office: 1st Floor, Neelam Apartment,88, Sampatrao Colony, Above Chappanbhog Sweet,Alkapuri, Vadodara - 390 007 Gujarat Ph.Nos. 231 4757, 2350490 Email:mcsLtdbaroda@gmail.com</p>																																																				
(j)	Share Transfer System	:	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.																																																				



**DISTRIBUTION OF HOLDINGS AS ON 31.03.2020**

Shareholders			Nos. of Shares	
Number of Shares held	Holders	% To Total	Number	%
Up to 500	1,064	88.0795	113,112	2.9662
501 to 1000	60	4.9669	45,514	1.1935
1001 to 2000	23	1.9040	34,275	0.8988
2001 to 3000	17	1.4073	43,045	1.1288
3001 to 4000	8	0.6623	28,852	0.7566
4001 to 5000	4	0.3311	17,884	0.4690
5001 to 10000	9	0.7450	71,202	1.8672
10001 to 50000	15	1.2417	315,737	8.2797
50001 to 100000	2	0.1656	373,700	9.7997
AND ABOVE	6	0.4967	2,770,079	72.6407
<b>Total</b>	<b>1,208</b>	<b>100</b>	<b>3,8134,00</b>	<b>100</b>

(l) Dematerialization of Shares and liquidity	:	99.36% of the paid-up capital has been dematerialized as on 31 <sup>st</sup> March, 2020.
(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. At near Muval Sub Station, Padra-Jambusar Highway, Gavasad - 391430, Vadodara, India.
(p) 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.

17. The Company has adopted and been complying with the discretionary requirements as per Regulation 27(1) and Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has displayed all applicable policies at its website at [www.shilchar.com](http://www.shilchar.com).
18. 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.
19. Familiarization programme for independent Directors: The Chairman and secretary of the Company used to familiarize the independent Directors of the Company, their roles, rights, responsibilities, nature of industry, compliance procedures & checkpoints etc., from time to time.
20. Total fees paid by the Company to M/s.CNK & Associates LLP as Remuneration of Statutory Auditors is a below:

Sr.	Particulars	Amount (Rs)
1	Statutory Audit Fees	255,000/-
2	Tax Related matters	75,000/-
3	Certification work	5,000/-
4	Fees for other Services	40,000/-



**Declaration / Certification:**

**a. Code of Conduct:**

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

**b. CEO & CFO Certification:**

As per requirements of Corporate Governance Code, Mr. Alay J. Shah, Managing Director and Mr. Prajesh Purohit, Chief Financial Officer has jointly furnished the necessary Certificate to the Board of Directors with respect to financial statements and cash flow statements for the year ended 31<sup>st</sup> March, 2020.

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**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: 27.06.2020

**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, 2020 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, 2020, against the Company, as per records maintained by the Investors Grievance/Share transfer Committee of the Company.

**For CNK & Associates LLP.  
CHARTERED ACCOUNTANTS  
Firm Reg.No.101961W/w-100036**

**Alok Shah  
PARTNER  
M.R.N. 042005  
Certificate No. : CNKBRD/084B/2020-21  
UDIN : 20042005AAAAAIS3925**

Place: Bil, District Vadodara  
Date : 27.06.2020



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

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

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shilchar Technologies Limited having **CIN : L29308GJ1986PLC008387** and having registered Bil Road, Village Bil, Dist. Vadodara. (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority except Mr. **N.A.** (DIN- **N.A.**) who has been debarred/disqualified by **N.A.** [give name of Statutory Authority and reason].

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	MUKESH DAHYABHAI PATEL	00009605	01/01/1995
2	RESHMA SURESH PATEL	00165162	27/03/2015
3	ALAY JITENDRA SHAH	00263538	01/10/2007
4	OM PRAKASH KHANNA	00304268	01/01/1995
5	ZARKSIS JAHANGIR PARABIA	02667359	14/03/2016
6	RAJESH RAMA VARMA	01034325	08/02/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**(Kashyap Shah)**  
**Proprietor**  
**FCS No. 7662; CP No. 6672**  
**UDIN: F007662B000333724**

**Place: Vadodara**  
**Date: June 11, 2020**



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF SHILCHAR TECHNOLOGIES LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying Financial Statements of SHILCHAR TECHNOLOGIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr no	Key Audit Matter	Auditor's Response
1	<p>Recoverability and Recognition of Receivables w.r.t Export Incentives under Merchandise Export from India Scheme (MEIS)</p> <p>Under the Foreign Trade Policy (FTP) 2015-20 of Government of India, the company has claimed export benefits under Merchandise Export from India Scheme (MEIS).</p> <p>Company recognizes these benefits in the period in which the right to receive the same is established i.e. the year during which the exports for grant of MEIS benefits are done.</p> <p>(Please refer Note No. 2(L)(ii) and Note No. 28 of the financial statement)</p>	<p>This has been considered as a key audit matter given the involvement of management judgement and estimate and any variation may have consequential impact on the recognised revenue.</p> <p>Our audit approach consisted testing of design and effectiveness of internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>❖ Evaluation and testing of the design of internal controls relating to recognition of MEIS Income;</li> <li>❖ Relied on management judgements, key assumptions and estimations regarding revenue recognition for which Exports have been made but pending for receipt of MEIS License at the year ended.</li> <li>❖ We have also verified the subsequent realisation of MEIS Receivable as on 31st March 2020 to evaluate whether any change was required to management's positions on this Income Provisioning.</li> <li>❖ The status of such claims has been reviewed on regular basis.</li> </ul>



**Information other than the Financial Statement and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexure to that Board's Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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;

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so;

The Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:



- ❖ Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ❖ Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards;

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;
- (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 the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the Financial Statements;
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Alok Shah**  
Partner  
Membership No. 042005  
Place: Vadodara  
Date: 27<sup>th</sup> June, 2020  
UDIN:20042005AAAAGJ1567



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

**Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Financial Statements for the year ended 31<sup>st</sup> March, 2020.**

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets;
- (b) As informed to us, the company has regular programme of physical verification of its fixed assets by which the fixed assets are verified in phased manner over a period of time. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company;
- II. As per the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification;
- III. According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to Companies, Firms, Limited Liability Partnership or any other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the requirements of sub-clause (a), (b) and (c) of clause (iii) are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable;
- V. In our opinion and as explained to us, the Company has not accepted any deposits during the year and therefore, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company;
- VI. We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;
- VII. According to the information and explanations given to us, in respect of statutory dues:
  - (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service Tax (GST), custom duty, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2020, for a period of more than six months from the date they became payable;
  - (b) According to the information and explanations given to us and the records examined by us, there are no dues of income tax, sales tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax or cess that has not been deposited on account of disputes.
- VIII. Based on our audit procedure and according to the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks, Government or dues to debenture holders;
- IX. According to the information and explanations given to us, no moneys were raised by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purpose for which the loan were obtained during the year;
- X. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any incidence of fraud on or by the Company noticed or reported during the year, nor we have been informed of any such case by the management;



- XI. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act;
- XII. In our opinion and according to the information and explanation given to us, the provisions related to Nidhi Company are not applicable;
- XIII. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards;
- XIV. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review;
- XV. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with them. Hence, the provisions of Section 192 of the Act are not applicable;
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Alok Shah**  
Partner  
Membership No. 042005

Place: Vadodara  
Date: 27<sup>th</sup> June, 2020  
UDIN: 20042005AAAAGJ1567



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

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

We have audited the internal financial controls over financial reporting of **SHILCHAR TECHNOLOGIES LIMITED** (“the Company”) as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing 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 with reference to financial statements of the company were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements of the company 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

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

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



**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For CNK & Associates LLP**

Chartered Accountants

Firm Registration No. 101961W/W-100036

**Alok Shah**

Partner

Membership No. 042005

Place: Vadodara

Date: 27<sup>th</sup> June, 2020

UDIN: 20042005AAAAGJ1567



**BALANCE SHEET AS AT 31st MARCH, 2020**

Particulars	NOTE	As At March 31, 2020 Amount Rs.	As At March 31, 2019 Amount Rs.
<b>ASSETS</b>			
<b>(1) Non current Assets</b>			
(a) Property, Plant and Equipment	3	3,842.33	4,067.19
(b) Intangible Assets	3	19.60	20.92
(c) Investment Property	4	36.73	39.97
(d) <u>Financial Assets</u>			
(i) Investments	5	-	35.07
(ii) Loans	6	30.24	29.32
(iii) Other financial asset	7	233.52	-
(e) Other Non Current Assets	8	18.53	11.50
<b>(2) Current assets</b>			
(a) Inventories	9	2,121.82	1,701.45
(b) <u>Financial Assets</u>			
(i) Trade receivables	10	3,262.92	3,174.41
(ii) Cash and cash equivalents	11	182.82	34.54
(iii) Bank balances other than Cash and cash equivalents	12	4.20	247.08
(iv) Loans	13	30.38	5.58
(v) Other financial assets	14	39.77	24.20
(c) Other current assets	15	415.11	474.10
(d) Current Tax Asset (Net)		17.68	-
	<b>Total Assets</b>	<b>10,255.64</b>	<b>9,865.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share capital	16	381.34	381.34
(b) Other Equity	17	5,733.24	5,708.52
	<b>Total equity attributable to equity holders of the Company</b>	<b>6,114.58</b>	<b>6,089.86</b>
<b>LIABILITIES</b>			
<b>(2) Non-Current liabilities</b>			
(a) <u>Financial Liabilities</u>			
(i) Borrowings	18	858.12	1,045.25
(ii) Other financial liabilities	19	23.85	17.99
(b) Provisions	20	74.33	77.43
(c) Deferred Tax Liability (Net)	21	172.87	159.38
<b>(3) Current liabilities</b>			
(a) <u>Financial Liabilities</u>			
(i) Borrowings	22	326.01	276.67
(ii) Trade payables	23		
(a) total outstanding dues of micro enterprises and small enterprises		241.55	89.80
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,021.87	1,633.92
(iii) Other financial liabilities	24	295.05	285.96
(b) Other current liabilities	25	114.28	162.88
(c) Provisions	26	13.13	1.84
(d) Current Tax Asset (Net)		-	24.36
	<b>Total Liabilities</b>	<b>4,141.05</b>	<b>3,775.47</b>
<b>Total Equity and Liabilities</b>		<b>10,255.64</b>	<b>9,865.34</b>

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

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

Alok Shah  
(Partner)  
Membership No. 042005  
Place: Vadodara  
Date: 27th June, 2020

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

Alay Shah  
Managing Director  
DIN - 00263538

Mukesh Patel  
Director  
DIN - 00009605

Niki Tiwari  
Company Secretary  
Place: Vadodara  
Date: 27th June, 2020

Prajesh Purohit  
Chief Financial officer



## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2020

Particulars	NOTES	For the year ended March 31, 2020 Amount Rs.	For the year ended March 31, 2019 Amount Rs.
Revenue From Operations	27	7,127.57	11,838.51
Other Income	28	298.98	167.29
<b>Total Income</b>		<b>7,426.55</b>	<b>12,005.80</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	5,081.52	8,946.34
Changes in Inventories of Finished goods and work-in-progress	30	84.89	(237.00)
Employee benefits expense	31	678.66	576.56
Finance costs	32	146.08	280.38
Depreciation and amortization expense	3,4	259.01	242.96
Other expenses	33	977.44	1,129.32
<b>Total expenses</b>		<b>7,227.60</b>	<b>10,938.56</b>
<b>Profit/(loss) before tax</b>		<b>198.95</b>	<b>1,067.24</b>
<b>Tax expense:</b>	34		
(1) Current tax		34.99	238.38
(2) Deferred tax		13.51	56.59
(3) Short/ (Excess) provision of earlier year		0.67	(2.26)
<b>Profit (Loss) for the period</b>		<b>149.77</b>	<b>774.53</b>
<b>Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
- Remeasurement of Defined benefit plans		(2.76)	3.59
- Equity instruments through other comprehensive income		(31.26)	-
<b>Income tax relating to items that will not be reclassified to profit or loss</b>			
- Income tax relating to Remeasurement of Defined benefit plans		0.77	(1.00)
<b>Total other comprehensive income</b>		<b>(33.25)</b>	<b>2.59</b>
<b>Total comprehensive income for the period</b>		<b>116.52</b>	<b>777.12</b>
Earnings per equity share:	35		
(1) Basic		3.93	20.31
(2) Diluted		3.93	20.31

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

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

Alok Shah  
(Partner)  
Membership No. 042005

Place: Vadodara  
Date: 27th June, 2020

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

Alay Shah  
Managing Director  
DIN - 00263538

Mukesh Patel  
Director  
DIN - 00009605

Niki Tiwari  
Company Secretary

Prajesh Purohit  
Chief Financial officer

Place: Vadodara  
Date: 27th June, 2020



**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020**

Particulars	For the Year ended March 31, 2020 Amount Rs.	For the Year ended March 31, 2019 Amount Rs.
<b>A Cash flow from operating activities</b>		
Profit / (Loss) before income tax	198.95	1,067.24
<b>Adjustments for :</b>		
Depreciation and amortisation expense	259.01	242.96
Finance Costs	146.08	280.38
Interest Income	(37.89)	(20.22)
(Gain) / Loss on disposal of Property, Plant and Equipment	(4.18)	-
Expected Credit Loss Allowance	10.37	17.35
Fair valuation of Investments through FVTPL	(0.74)	4.69
Other Comprehensive Income (OCI) Reclassification	(2.76)	3.59
Unrealised foreign exchange (Gain)/Loss	48.13	111.83
<b>Operating profit before working capital changes</b>	<b>616.97</b>	<b>1,707.83</b>
<b>Movements in working capital:</b>		
(Increase) / Decrease in trade receivables	(77.57)	(458.51)
(Increase) / Decrease in inventories	(420.37)	(558.67)
(Increase) / Decrease in other assets	33.27	331.36
Increase / (Decrease) in trade payables	539.48	(573.90)
Increase / (Decrease) in other liabilities	(31.49)	(178.26)
<b>Cash generated from operations :</b>	<b>660.29</b>	<b>269.86</b>
Direct taxes paid (net)	(77.70)	(215.46)
<b>Net cash from operating activities (A)</b>	<b>582.59</b>	<b>54.40</b>
<b>B Cash flows from investing activities</b>		
Capital expenditure on property, plant and equipment (PPE) (including Capital work-in-progress and capital advances)	(38.21)	(457.60)
Proceeds from sale of property, plant and equipment (PPE)	5.76	-
Proceeds from sale of investments	3.81	563.39
Interest Received	22.32	26.97
<b>Net cash (used) in Investing activities (B)</b>	<b>(6.31)</b>	<b>132.75</b>
<b>C Cash flow from financing activities :</b>		
Interest paid	(146.08)	(280.38)
Proceeds/ (Repayment) of Borrowings	(199.49)	177.15
Dividend Paid	(91.79)	(91.79)
(Increase)/ Decrease in Bank Balances other than Cash & Cash Equivalents	9.36	(29.90)
<b>Net cash (used) in financing activities (C)</b>	<b>(428.00)</b>	<b>(224.93)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>148.28</b>	<b>(37.77)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
Balances with banks in current accounts and deposit account	31.39	71.54
Cash on hand	3.16	0.78
<b>CASH AND CASH EQUIVALENTS</b>	<b>34.54</b>	<b>72.32</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
Balances with banks in current accounts and deposit account	181.41	31.39
Cash on hand	1.41	3.16
<b>CASH AND CASH EQUIVALENTS</b>	<b>182.82</b>	<b>34.54</b>

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date

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

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

Alay Shah  
Managing Director  
DIN - 00263538

Mukesh Patel  
Director  
DIN - 00009605

Alok Shah  
(Partner)  
Membership No. 042005  
Place: Vadodara  
Date: 27th June, 2020

Niki Tiwari  
Company Secretary  
Place: Vadodara  
Date: 27th June, 2020

Prajesh Purohit  
Chief Financial officer

## a. Equity Share Capital:

<b>Balance as at the 1st April 2018</b>	<b>381.34</b>
Changes in equity share capital during 2018-19	-
<b>Balance as at the 31st March 2019</b>	<b>381.34</b>
Changes in equity share capital during 2019-20	-
<b>Balance as at the 31st March 2020</b>	<b>381.34</b>

## b. Other Equity:

Particulars	Reserves and Surplus							Total
	Capital Reserve	General Reserve	Securities Premium Reserve	Share Forfeiture	Subsidy	Retained Earnings	FVOCI-Equity Reserve	
As at 1st April, 2018	137.56	103.59	306.57	26.10	4.25	4,445.12	-	<b>5,023.19</b>
Profit for the year	-	-	-	-	-	774.53	-	<b>774.53</b>
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	-	-	2.59	-	<b>2.59</b>
Dividends paid including dividend tax thereon	-	-	-	-	-	(91.79)	-	<b>(91.79)</b>
<b>As at 31st March, 2019</b>	<b>137.56</b>	<b>103.59</b>	<b>306.57</b>	<b>26.10</b>	<b>4.25</b>	<b>5,130.46</b>	-	<b>5,708.52</b>
As at 1st April, 2019	137.56	103.59	306.57	26.10	4.25	5,130.46	-	5,708.53
Profit for the year	-	-	-	-	-	149.77	-	149.77
Remeasurement of the Net Defined benefit liability/asset, net of tax effect	-	-	-	-	-	(1.99)	-	(1.99)
Other comprehensive income for the year	-	-	-	-	-	-	(31.26)	(31.26)
Transfer of (gain)/loss on FVOCI equity investments	-	-	-	-	-	(31.26)	31.26	-
Dividends paid including dividend tax thereon	-	-	-	-	-	(91.80)	-	<b>(91.80)</b>
<b>As at 31st March, 2020</b>	<b>137.56</b>	<b>103.59</b>	<b>306.57</b>	<b>26.10</b>	<b>4.25</b>	<b>5,155.17</b>	-	<b>5,733.24</b>

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

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

Alok Shah  
(Partner)  
Membership No. 042005

Alay Shah  
Managing Director  
DIN - 00263538

Mukesh Patel  
Director  
DIN - 00009605

Niki Tiwari  
Company Secretary

Prajesh Purohit  
Chief Financial officer

Place: Vadodara  
Date: 27th June 2020

Place: Vadodara  
Date: 27th June 2020



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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

**1.1 Description of Business**

SHILCHAR TECHNOLOGIES LIMITED ("the Company"), incorporated in the year 1986 is Public Limited Company and engaged in the business of manufacturing of "Distribution & Power Transformers" as well "Electronics & Telecommunication Transformers."

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

**1.2 Basis of Preparation of Financial Statements**

**i. Compliance with Ind AS**

The Financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter.

**ii. Historical cost convention**

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

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

**iii. Functional and presentation currency**

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

**iv. Composition of Financial Statements**

The financial statements comprise:

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

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

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

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

**2. Significant Accounting Policies and Other Explanatory Notes**

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

**i. Recognition and measurement**

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



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

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

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

**ii. Subsequent Expenditure**

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

**iii. Depreciation**

Depreciation is recognised so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives, using the Straight Line Method on the basis of useful lives specified in part C of Schedule II to the Companies Act, 2013 except plant and equipment ranging from 10 – 20 years. The Estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimated accounted for on a prospective basis.

**B. Investment Property:**

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised. Investment properties are depreciated using the straight-line method over their estimated useful lives. Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

**C. Intangible Assets:**

**i. Recognition and measurement**

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

**ii. Amortization**

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

**iii. De- recognition of Intangible Assets:**

Intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is de-recognized.

**D. Impairment:**

**i. Non - financial assets**

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



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

**E. Leases**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a lessee**

**(A) Lease Liability**

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

**(B) Right-of-use assets**

Initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

**Subsequent measurement**

**(A) Lease Liability**

Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

**(B) Right-of-use assets**

Subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the under lying asset.

**Impairment**

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

**Short term Lease:**

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

**As a lessor**

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

**Transition to Ind AS 116**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.



The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard prospectively to its leases.

Refer note 1.3 (Q) significant accounting policy and other explanatory note -leases in the annual report of the company for the year ended 31st March,2019, for the erstwhile policy as per Ind AS 17.

**F. Inventories:**

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

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

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

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

**i. Classification:**

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

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

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

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

**ii. Measurement**

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

- (a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost.
- (b) Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss and recognized in other gains/ losses. Interest income from these financial assets is included in other income using the effective interest rate method.



- (c) Fair value through profit and loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

**iii. Equity Instruments**

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

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

**iv. Derecognition**

A financial asset is derecognized only when

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

**H. Cash and Cash Equivalents:**

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

**Cash flow statement**

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

**I. Financial Liabilities:**

**i. Measurement**

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

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

**ii. Derecognition**

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

**J. Foreign Currency Translation:**

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

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



**K. Derivatives:**

**Commodity Derivatives:**

The Company is exposed to fluctuations in the prices of its raw materials. In case of principal raw materials such as copper, aluminum, oil etc, the risks on costing of the Company's products on account of fluctuations in prices of these materials is quite high. The Company tries to limit the effects of fluctuations in prices of these critical materials by following risk management policies including use of derivatives. For this, the Company enters into derivative buy or sell contracts for these commodities on the MCX Exchange. These contracts are generally not used for trading or speculation purposes.

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

**L. Revenue recognition:**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue from the sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash component and consideration payable to the customer like return, allowances, trade discounts, liquidated damages and volume rebates.

Sales are disclosed excluding net of sales returns, service tax, value added tax and Goods and Service Tax (GST).

**i. Dividend income**

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

**ii. Export Incentives**

Export incentives are recognized when the right to receive them as per the terms of the entitlement is established in respect of exports made.

The benefits accrued under the duty drawback scheme and Merchandise Export from India Scheme (MEIS) as per the Import and export Policy in respect of exports under the said scheme are recognised when there is a reasonable assurance that the benefit will be received and the company will comply with all attached conditions. The above benefits has been included under the head 'Export Incentives.'

**iii. Insurance Claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

**iv. Other Income:**

i) Other income is comprised primarily of interest income, gain / loss on investments and exchange gain/loss on foreign currency transactions. Interest income is recognized using the effective interest method.

ii) Income from Sale of Wind Operated Power is accounted on accrual basis on confirmation of units generated and supplied to the State Electricity Board as per the agreement.

**M. Employee benefits:**

**i. Short-term obligations:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's



services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**ii. Provident Fund:**

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

**iii. Gratuity:**

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

**iv. Compensated Absences:**

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

**N. Borrowing costs:**

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

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

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

**O. Taxation**

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

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

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.



**P. Provisions and Contingencies:**

**i. Provisions**

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

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

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

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

**ii. Contingent Liabilities**

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

**iii. Contingent Assets**

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

**Q. Earnings per Share:**

**i. Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**ii. Diluted earnings per share**

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

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

**R. Segment reporting**

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

**S. Exceptional items:**

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

## 3 Property, Plant and Equipments

Particulars	Land - Freehold	Windmill	Electrical Installation	Factory Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Software	Total
<b>Gross carrying amount As at 1st April, 2019</b>	666.33	85.45	271.51	1,566.33	1,672.25	92.11	147.90	27.24	26.56	26.64	4,582.28
Additions	-	-	0.22	4.55	21.42	0.61	-	4.04	0.33	-	31.17
Disposals	-	-	-	-	(6.90)	-	-	-	-	-	(6.90)
Adjustments	-	-	-	-	-	-	-	-	1.03	-	1.03
<b>Gross carrying amount As at 31st March, 2020</b>	666.33	85.45	271.73	1,570.88	1,686.77	92.72	147.90	31.28	26.89	26.64	4,607.58
<b>Accumulated depreciation As at 1st April, 2019</b>	-	18.35	28.16	100.89	252.20	16.29	44.09	9.87	18.61	5.72	494.16
Charge for the period	-	6.30	24.64	62.16	123.86	7.44	19.04	3.98	8.06	1.32	256.79
Disposals	-	-	-	-	(5.31)	-	-	-	-	-	(5.31)
<b>Closing accumulated depreciation As at 31st March, 2020</b>	-	24.65	52.80	163.05	370.75	23.73	63.13	13.85	26.67	7.04	745.66
<b>Net carrying amount: As at 31st March, 2020</b>	666.33	60.80	218.93	1,407.83	1,316.02	68.99	84.77	17.43	0.23	19.60	3,861.93
<b>As at 1st April, 2019</b>	666.33	67.10	243.35	1,465.44	1,420.04	75.82	103.81	17.37	7.95	20.92	4,088.11

## 3 Property, Plant and Equipments

Particulars	Land - Freehold	Windmill	Electrical Installation	Factory Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Software	Total
<b>Gross carrying amount As at 1st April, 2018</b>	666.33	85.45	21.64	356.49	555.66	19.00	112.89	16.27	19.47	25.74	1,878.92
Additions	-	-	249.87	1,250.83	1,116.59	73.11	35.01	10.97	7.09	0.90	2,744.35
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment (Refer below note (i))	-	-	-	(40.99)	-	-	-	-	-	-	(40.99)
<b>Gross carrying amount As at 31st March, 2019</b>	666.33	85.45	271.51	1,566.33	1,672.25	92.11	147.90	27.24	26.56	26.64	4,582.28
<b>Accumulated depreciation As at 1st April, 2018</b>	-	12.23	5.11	39.22	138.67	9.68	27.86	5.51	9.54	4.41	252.22
Charge for the year	-	6.12	23.05	61.67	113.53	6.61	16.23	4.36	9.07	1.31	241.94
Disposals	-	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation As at 31st March, 2019</b>	-	18.35	28.16	100.89	252.20	16.29	44.09	9.87	18.61	5.72	494.16
<b>Net carrying amount: As at 31st March, 2019</b>	666.33	67.10	243.35	1,465.44	1,420.04	75.82	103.81	17.37	7.95	20.92	4,088.11
<b>As at 1st April, 2018</b>	666.33	73.22	16.53	317.27	416.99	9.32	85.03	10.76	9.93	21.33	1,626.70

## Notes:

- (i) During the previous year, the company has rented out some of area of building. The said premise has been classified as Investment property [As per Indian Accounting Standard (Ind AS) -40, Investment Properties] as it is not intended to be occupied substantially for use by, or in the operations, of the company.



**4 Investment Property**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>INVESTMENT PROPERTY</b>		
<b>(Transfer from Property, Plant and Equipment)</b>		
<b>Building given on Operating Lease</b>		
<b>Gross carrying amount As at 1st April, 2019</b>	39.97	-
Transfer from Property, Plant and Equipments	-	40.99
Additions	-	-
Disposals	-	-
<b>Gross carrying amount As at 31st March, 2020</b>	<b>39.97</b>	<b>40.99</b>
<b>Accumulated depreciation As at 1st April, 2019</b>	<b>1.02</b>	-
Charge for the period	2.22	1.02
Disposals	-	-
<b>Closing accumulated depreciation As at 31st March, 2020</b>	<b>3.24</b>	<b>1.02</b>
<b>Net carrying amount:</b>		
<b>As at 31st March, 2020</b>	<b>36.73</b>	-
<b>As at 31st March, 2019</b>	-	<b>39.97</b>

Note:

- (i) During the previous year, the company has rented out some of area of building. The said premise has been classified as Investment property [As per Indian Accounting Standard (Ind AS) -40, Investment Properties] as it is not intended to be occupied substantially for use by, or in the operations, of the company.
- (ii) Refer note (45) for other disclosure.

**5 Investments**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Investments at fair value through Other Comprehensive Income</b>		
<b>Investment in Equity Instruments (Unquoted) (Fully Paid- up)</b>		
E-Cube India Solutions Limited	-	35.07
<b>Total</b>	<b>-</b>	<b>35.07</b>
<b>Aggregate Value of unquoted investment</b>	<b>-</b>	<b>35.07</b>

Note : The Company has sold 3,50,700 no. of equity shares of E-Cube India Solutions Limited during the year.

**6 Loans**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, considered good</b>		
- Deposits	30.24	29.32
<b>Total</b>	<b>30.24</b>	<b>29.32</b>

**7 Other Financial Asset**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Balances with Banks</b>		
-Bank deposits with more than 12 months of original maturity	233.52	-
<b>Total</b>	<b>233.52</b>	<b>-</b>



**8 Other Non - Current Assets**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, considered good</b>		
Capital Advances	18.53	11.50
<b>Total</b>	<b>18.53</b>	<b>11.50</b>

**9 Inventories**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b><u>Inventories (lower of cost and net realised value)</u></b>		
Raw Materials	1,472.23	966.97
Work-in-Progress	258.65	218.52
Finished goods	390.93	515.96
<b>Total</b>	<b>2,121.82</b>	<b>1,701.45</b>

**10 Trade Receivables**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b><u>Trade Receivables considered Good-Secured</u></b>	-	-
<b><u>Trade Receivables considered Good-Unsecured</u></b>		
- Receivable from Related Parties	136.25	5.60
- Others	3,161.73	3,193.50
	<b>3,297.97</b>	<b>3,199.10</b>
<b>Trade Receivables which have significant increase in credit risk</b>	-	-
<b>Trade Receivables credit impaired</b>	-	-
<b>Total</b>	<b>3,297.97</b>	<b>3,199.10</b>
Less : Expected Credit Loss Allowance	(35.05)	(24.69)
<b>Total</b>	<b>3,262.92</b>	<b>3,174.41</b>

**11 Cash and cash equivalents**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Balances with banks</b>		
(a) In current accounts	40.90	31.39
(b) In Cash Credit accounts (Refer Note 22(i))	140.51	-
<b>Cash on Hand</b>	1.41	3.16
<b>Total</b>	<b>182.82</b>	<b>34.54</b>

**12 Bank balances other than Cash and cash equivalents**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Other Bank Balances</b>		
(a) Balances held as margin money	-	243.10
(b) Unpaid dividend	4.20	3.98
<b>Total</b>	<b>4.20</b>	<b>247.08</b>



**13 Loans**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, considered good</b>		
Deposit	30.38	5.58
<b>Total</b>	<b>30.38</b>	<b>5.58</b>

**14 Other Financial Assets**

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Accrued Interest Income	1.14	24.20
(b) Other receivables	38.63	-
<b>Total</b>	<b>39.77</b>	<b>24.20</b>

**15 Other Current Assets**

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Advance to Suppliers	22.53	27.73
(b) Advances to Employee	4.71	3.05
(c) Prepaid expenses	10.38	16.07
(d) Balances with Government authorities	337.75	414.51
(e) Other Receivables	39.74	12.73
<b>Total</b>	<b>415.11</b>	<b>474.10</b>

**16 Share Capital**

**(a) Authorised Equity Share Capital**

Particulars	No. of Shares	Amount
<b>At 1st April, 2019</b>	<b>5,000,000</b>	<b>500.00</b>
Increase /(decreased) during the year	-	-
<b>At 31st March 2020</b>	<b>5,000,000</b>	<b>500.00</b>

**(b) Issued Equity Share Capital**

Particulars	No. of Shares	Amount
<b>At 1st April, 2019</b>	<b>3,813,400</b>	<b>381.34</b>
Increase /(decreased) during the year	-	-
<b>At 31st March 2020</b>	<b>3,813,400</b>	<b>381.34</b>

**(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.**

Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
<b>At the beginning of the period</b>	<b>3,813,400</b>	<b>381.34</b>	<b>3,813,400</b>	<b>381.34</b>
Increase /(decreased) during the year	-	-	-	-
<b>At the end of the period</b>	<b>3,813,400</b>	<b>381.34</b>	<b>3,813,400</b>	<b>381.34</b>

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

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



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

Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Percentage	No. of shares	Percentage
<b>Equity shares with voting rights</b>				
Alay Jitendra Shah	1,045,516	27.42%	1,045,516	27.42%
Shilpa Alay Shah	401,970	10.54%	401,970	10.54%
Aatman Alay Shah	394,382	10.34%	394,382	10.34%
Aashay Alay Shah	394,382	10.34%	394,382	10.34%
Alay Jitendra Shah (HUF)	274,825	7.21%	274,825	7.21%
Shah Family LLC	259,004	6.79%	259,004	6.79%
<b>Total</b>	<b>2,770,079</b>	<b>72.64%</b>	<b>2,770,079</b>	<b>72.64%</b>

**17 Other Equity**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Reserve	137.56	137.56
General Reserve	103.59	103.59
Securities Premium	306.57	306.57
Share Forfeiture	26.10	26.10
Subsidy	4.25	4.25
Retained Earnings	5,155.17	5,130.45
<b>Total</b>	<b>5,733.24</b>	<b>5,708.52</b>

**17.1**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(a) Capital Reserve (on account of amalgamation)</b>		
Balance as per the last financial statements	137.56	137.56
<b>(b) General Reserve (transfer of a portion of the net profit)</b>		
Balance as per the last financial statements	103.59	103.59
<b>(c) Securities Premium Reserve (Excess of face value of the equity shares)</b>		
Balance as per the last financial statements	306.57	306.57
<b>(d) Share Forfeiture Account (on account of forfeiture of shares in earlier year)</b>		
Balance as per the last financial statements	26.10	26.10
<b>(e) Subsidy (on account of subsidy received in earlier year)</b>		
Balance as per the last financial statements	4.25	4.25
<b>(f) Retained Earnings</b>		
Balance as per the last financial statements	5,130.45	4,445.12
Profit for the year	149.77	774.53
<b>Items of Other Comprehensive Income</b>		
Add/(Less): Remeasurement of the Net Defined benefit liability/asset, net of tax effect	(1.99)	2.59
Transfer to retained earnings from FVOCI equity investments (net of tax)	(31.26)	-
<b>Less: Appropriations</b>		
Dividend on Equity shares including tax thereon	(91.79)	(91.79)
	<b>5,155.17</b>	<b>5,130.45</b>
<b>(g) Equity Instrument held at FVOCI (Refer note below)</b>		
Balance as per the last financial statements	-	-
Changes in fair value of FVOCI instruments (net of tax)	(31.26)	-
Transfer of (gain)/ loss on FVOCI equity investments	31.26	-
<b>Total</b>	<b>5,733.24</b>	<b>5,708.52</b>

**Note: Equity instrument held at FVOCI:** The company has elected to recognise changes in the fair value of certain investment in equity instruments in other comprehensive income. This amount will be reclassified to retained earnings on de-recognition of equity instrument.



**18 Borrowings**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Secured - at amortized cost</b>		
(a) Term Loans		
- from Banks (Refer below note)	858.12	1,045.25
<b>Total</b>	<b>858.12</b>	<b>1,045.25</b>

**(i) Nature of Security**

The above Term loan is secured by first charge by way of hypothecation of all the movable and immovable fixed assets including but not limited to plant and machinery situated at new plant at Gavasad village, Padra, Jambusar High way, Vadodara. They are further secured by second charge by way of hypothecation over stock and book debts both present and future.

**(ii) Term of Repayment**

The above foreign term loan of USD 16.11 lakhs is repayable in four years on quarterly installments starting from March 2020 along with interest for the period. The installments are of USD 1.01 Lakhs each quarter and interest rate is 5.40 % p.a.

**19 Other non current Financial Liabilities**

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Payable for Fixed Asset	16.35	10.49
(b) Security Deposits	7.50	7.50
<b>Total</b>	<b>23.85</b>	<b>17.99</b>

**20 Provisions**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provision for employee benefits</b>		
Provision for Gratuity (Net )	55.96	60.73
Provision for Compensated absences	18.37	16.71
<b>Total</b>	<b>74.33</b>	<b>77.43</b>

**21 Deferred Tax Liabilities (Net)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Deferred Tax Assets</b>		
The balance comprises temporary differences attributable to:		
Provision For Employee Benefit	25.69	24.07
Remeasurements of the defined benefit plans	1.74	1.00
Unused tax credit	52.82	44.16
Others	9.75	6.87
<b>Total DTA</b>	<b>90.00</b>	<b>76.09</b>
<b>Deferred Tax Liability</b>		
The balance comprises temporary differences attributable to:		
Depreciation	262.87	235.47
<b>Total DTL</b>	<b>262.87</b>	<b>235.47</b>
<b>Net Deferred Tax Asset/(Liability)</b>	<b>(172.87)</b>	<b>(159.38)</b>



**22 Borrowings**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Secured - at amortized cost</b>		
a) Loans repayable on demand - From banks (Refer below note (i) and (ii))	26.01	276.67
<b>Unsecured - at amortized cost</b>		
a) Inter Corporate Deposits (Refer below note (iii))	300.00	-
<b>Total</b>	<b>326.01</b>	<b>276.67</b>

**Note:**

- (i) The Bank facilities of Working Capital being Cash Credit, Export Packing Credit and other Facilities obtained from respective banks 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.
- (ii) The Bank facilities of Working Capital being Cash Credit, Export Packing Credit and other Facilities obtained from HDFC bank is secured by second charge by way of hypothecation over stock and book debts both present and future. They are further secured with first charge by way of hypothecation of all the movable and immovable fixed assets including but not limited to plant and machinery situated at new plant at Gavasad village, Padra, Jambusar High way, Vadodara.
- (iii) Inter corporate Deposit aggregating to Rs. 300.00 lakhs (P.Y. NIL) is repayable within a period of 1 year. The interest rate for the same is 9.00%.

**23 Trade Payables**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Trade Payables</b>		
(a) total outstanding dues of micro enterprises and small enterprises (Refer Note 40)	241.55	89.80
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,021.87	1633.92
<b>Total</b>	<b>2,263.43</b>	<b>1,723.72</b>

**24 Other Financial Liabilities**

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Current Maturities on long term debt (Refer Note (i) below)	287.05	280.00
(b) Unpaid Dividends*	4.20	3.98
(c) Security Deposits	2.07	1.98
(d) Others	1.73	-
<b>Total</b>	<b>295.05</b>	<b>285.96</b>

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

Note (i): Current maturities of long-term debt (Refer Notes ( i and ii ) in Note 18 - Long-term borrowings for details of security and guarantee.

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Term loans from banks	287.05	280.00
<b>Total</b>	<b>287.05</b>	<b>280.00</b>



**25 Other Current Liabilities**

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Advances from Customers	27.49	78.55
(b) Statutory Liabilities	17.69	5.02
(c) Salary and Wages Payable	40.86	32.32
(d) Other payable	28.24	47.00
<b>Total</b>	<b>114.28</b>	<b>162.88</b>

**26 Provisions**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provision for employee benefits</b>		
- Provision for gratuity	12.05	1.42
- Provision for Compensated absences	1.08	0.42
<b>Total</b>	<b>13.13</b>	<b>1.84</b>

**27 Revenue from Operations**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Sale of Products</b>		
- Sale of Products	7,127.57	11,838.51
<b>Total</b>	<b>7,127.57</b>	<b>11,838.51</b>

**Disclosure pursuant to Ind AS 115 -Revenue from Contracts with Customers:**

**(i) Disaggregate Revenue:**

The table below presents disaggregated revenues of the Company from contracts with customers by geography/ offerings/ contract-type/market . The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Sale of Products</b>		
- Domestic Sales	5,514.86	8,113.22
- Export Sales	1,612.71	3,725.29

**28 Other Income**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest Income	37.89	20.22
Fair Value change of investment held for trading	0.74	(4.69)
Export Incentive	117.98	73.51
Income from Windmill	41.50	31.75
Rent Income	30.00	15.00
Amount no longer payable written back	43.94	-
Income from Liquid Fund	8.18	15.00
Gain/(loss) on sale of Property, Plant and Equipment	4.18	-
Others	14.57	16.51
<b>Total</b>	<b>298.98</b>	<b>167.29</b>



**29 Cost of Raw Material and Components**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cost of Raw Material Consumed	5,045.40	8,879.62
Consumable Store and Spares	36.12	66.72
<b>Total</b>	<b>5,081.52</b>	<b>8,946.34</b>

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Inventories at the end of the period:		
Finished Goods	390.93	515.96
Work In Progress	258.65	218.52
	<b>649.58</b>	<b>734.48</b>
Inventories at the beginning of the period:		
Finished Goods	515.96	342.32
Work In Progress	218.52	155.16
	<b>734.48</b>	<b>497.48</b>
<b>Net (increase) / decrease</b>	<b>84.89</b>	<b>(237.00)</b>

**31 Employee benefits expense**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Salary, Wages, Bonus and Others etc.	599.93	507.65
Contributions to Provident Fund and Other Funds	34.60	28.22
Staff Welfare Expenses	44.14	40.69
<b>Total</b>	<b>678.66</b>	<b>576.56</b>

**32 Finance costs**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest expense	117.81	216.01
Other Borrowing costs	28.27	64.38
<b>Total</b>	<b>146.08</b>	<b>280.38</b>

**33 Other Expenses**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Power and Fuel	82.36	97.53
Processing cost	275.90	264.62
Carting and Freight Inwards	23.86	57.41
<b>Repairs &amp; Maintenance:</b>		
Building	1.35	4.96
Plant & Machinery	7.55	14.45
Others	26.15	29.56
Legal and Professional Fees	45.43	49.75



Testing charges	35.43	68.78
Freight / Clearing & Forwarding Charges on Sales (net of recoveries)	109.27	148.96
Payments to Auditors (Refer Note 41)	3.75	2.95
Corporate Social Responsibility Expenses (Refer Note 42)	25.60	29.28
Travelling Expense	78.14	93.65
Research and development expenses	54.60	44.76
Directors sitting fees	2.70	3.05
Loss on foreign currency transactions/translations(Net)	34.34	70.25
Allowance for doubtful debts (Expected Credit Loss Allowance)	10.37	17.35
Miscellaneous Expenses	160.65	132.01
<b>Total</b>	<b>977.44</b>	<b>1,129.32</b>

### 34 Taxes Reconciliation

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>(a) Income tax expense</b>		
<i>(i) Current tax</i>		
Current tax on profits for the year	34.99	238.38
Short/ (Excess) provision of earlier year	0.67	(2.26)
	<b>35.67</b>	<b>236.12</b>
<i>(ii) Total Deferred tax expenses (Benefits)</i>	13.51	56.59
	<b>13.51</b>	<b>56.59</b>
Total Income tax expenses (i + ii)	49.18	292.71
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
Profit before income tax expense	198.95	1,067.24
<b>Tax at the Indian tax rate of 16.69%(#) (2018 - 2019 – 21.54%)</b>	33.20	229.88
Unused tax credit(MAT)	(52.82)	(44.16)
Others (including deferred tax)	68.79	106.98
<b>Income Tax Expense</b>	<b>49.18</b>	<b>292.71</b>

# The Company falls under the provisions of Minimum Alternate Tax u/s 115JB of Income Tax Act, 1961 and the applicable Indian statutory tax rate for year ended 31st March, 2020 is 16.69% and for 31st March, 2019 it was 21.54%.

### 35 Earnings per share (EPS)

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

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

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Profit attributable to equity holders of the Company for basic and diluted earnings per share	149.77	774.53



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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Issued ordinary shares(in Nos)	38,13,400	38,13,400
Weighted average number of shares at 31st March for basic and diluted earnings per shares	38,13,400	38,13,400
<b>Basic earnings per share</b>	<b>3.93</b>	<b>20.31</b>

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

**[A] Defined contribution plans:**

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

The Company recognised Rs. 21.04 Lakhs (P.Y : Rs. 14.89 Lakhs ) for provident fund contributions in the Statement of Profit and Loss.

**[B] Defined benefit plan:**

The Company makes annual contributions to Shilchar Technologies Limited Employees' Gratuity Fund managed by LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

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

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2020.

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

a) Reconciliation in present value of obligations (PVO) - Defined Benefit Obligation:	Gratuity Funded as on	
	31st March, 2020	31st March, 2019
Present value of Benefit Obligations at the beginning of the period	70.16	70.32
Current Service Cost	8.19	7.61
Interest Cost	4.77	5.41
Benefits Paid	(8.55)	(9.63)
Actuarial (Gains) / Losses due to change in assumptions	2.86	(3.56)
<b>Present value of Benefit Obligations at the end of the period</b>	<b>77.43</b>	<b>70.16</b>

b) Change in fair value of plan assets:	Gratuity Funded as on	
	31st March, 2020	31st March, 2019
Fair value of Plan assets at the beginning of the year	8.01	16.60
Expected Return on plan assets	0.64	0.91
Contributions by Employer	4.78	0.10
Benefits paid	(4.11)	(9.63)
Actuarial Gains and (Losses)	0.10	0.03
<b>Fair value of Plan assets at the end of the year</b>	<b>9.42</b>	<b>8.01</b>

c) Reconciliation of PVO and fair value of plan assets:	Gratuity Funded as on	
	31st March, 2020	31st March, 2019
Present value of Benefit Obligations at the end of the period	77.43	70.16
Fair value of Plan assets at the end of the year	9.42	8.01
<b>Net (Asset) / Liability recognised in Balance sheet</b>	<b>68.01</b>	<b>62.14</b>



d) Net Expenses recognised in the statement of Profit and Loss accounts	Gratuity Funded as on	
	31st March, 2020	31st March, 2019
Net Interest Cost	4.20	4.50
Current Service Cost	8.19	7.61
<b>Total</b>	<b>12.40</b>	<b>12.11</b>

e) Amount recognised in Other comprehensive income remeasurements:	Gratuity Funded as on	
	31st March, 2020	31st March, 2019
Actuarial (Gains) / Losses	2.76	(3.58)

f) Assumptions used in the accounting for the gratuity plan:	Gratuity Funded as on	
	31st March, 2020	31st March, 2019
Discount Rate (%)	6.80%	7.70%
Rate of return on plan assets ( For funded scheme ) (%)	7.70%	7.70%
Salary escalation rate (%)	7.00%	7.00%
Mortality* :		
* Indian Assured Lives Mortality (2006-08)		

**g) Sensitivity Analysis**

Particulars	Gratuity Funded as on	
	31st March, 2020	31st March, 2019
+1.00% Change in Rate of Discounting	72.94	65.86
-1.00% Change in Rate of Discounting	82.50	74.95
+1.00% Change in Rate of Salary escalation	82.44	74.94
-1.00% Change in Rate of Salary escalation	72.91	65.80
+1.00% Change in Rate of Withdrawal	77.41	70.22
-1.00% Change in Rate of Withdrawal	77.46	70.10

**Leave Encashment Disclosure as per Actuarial Valuation**

The Company's Long Term benefits includes Leave Encashment payable at the time of retirement subject to, policy of maximum leave accumulation of company. The scheme is not funded.

Particulars	Leave EncashmentNot Funded	
	31st March, 2020	31st March, 2019
<b>Expense recognised in the Statement of Profit &amp; Loss Account</b>		
Current Service Cost	8.96	7.70
Net Interest Cost	1.16	1.40
Net Value of re-measurements on the obligation and plan assets	1.89	3.42
Total expense	12.01	12.52
Actuarial loss / (gain) due to change in financial assumptions	1.30	-
Actuarial loss / (gain) due to change in experience assumptions	0.59	3.42
Net Actuarial loss / (gain)		
<b>Net Asset / (Liability) recognised in the Balance Sheet</b>	<b>19.45</b>	<b>17.13</b>
Opening Defined Benefit Obligation	17.13	18.13
Current Service Cost	8.96	7.70
Interest Cost	1.16	1.40
Actuarial loss / (gain) due to change in financial assumptions	1.30	0.00
Actuarial loss / (gain) due to change in experience assumptions	0.59	3.42
Benefits Paid	(9.69)	(13.52)
<b>Closing Defined Benefit Obligation</b>	<b>19.45</b>	<b>17.13</b>



**37 Related Party Disclosures**

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

Sr No	Particulars	Relationship
<b>I</b>	<b>Key Managerial Personnel / Directors:</b> Mr. Alay Shah Mr. Mukesh Patel Mrs. Reshma Patel Mr. Om Prakash Khanna Mr. Zarksis Jahangir Parabia Mr. Rajesh Varma  Mr. Prajesh Purohit Ms. Niki Tiwari	Chairman & Managing Director Independent Director Independent Director Independent Director Independent Director Additional Director (w. e. f. 08th February, 2020) Chief Financial Officer Company Secretary
<b>II</b>	<b>Relatives of Key Managerial Personnel</b> Mrs. Shilpa Shah Mr. Aashay Shah Mr. Aatman Shah Mr. Ashesh Shah	Relative Of Key management Person Relative Of Key management Person Relative Of Key management Person Relative Of Key management Person
<b>III</b>	<b>Entities controlled by Directors/Relatives of Directors</b> E-cube India Solutions Ltd	Entities Controlled by Directors/Relatives of Directors

**b) Key Managerial Personnel Compensation**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Short-term employee benefits	115.11	114.04
Terminal Benefits	25.64	25.05
Other Benefits	20.91	20.91
<b>Total Compensation</b>	<b>161.66</b>	<b>160.00</b>

**c) Transactions with Related Parties:**

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

Sr No	Key Managerial Personnel and their relatives	Name of Parties	For the year ended 31st March, 2020	For the year ended 31st March, 2019
1	<b>Key Managerial Personnel</b> Remuneration	Mr. Alay Shah Mr. Prajesh Purohit Ms. Niki Tiwari	102.53 10.48 2.10	102.73 9.71 1.92
2	<b>Relative Of Key management Person</b> Remuneration	Mr. Aashay Shah Mr. Atman shah Mrs. Shilpa Shah	16.94 10.72 -	14.75 9.06 8.54
3	Dividend paid	Mr. Alay Shah Mrs. Shilpa Shah Mr. Atman shah Mr. Aashay Shah	20.91 8.04 7.89 7.89	20.91 8.04 7.89 7.89



4	Professional fees	Mr Ashesh shah	15.00	15.00
5	Perquisite of electricity	Mrs. Shilpa Shah Mr. Alay Shah	- 0.48	0.47 0.29
6	Sitting Fees	Mr. Om Prakash Khanna Mr. Mukesh Patel Mrs. Reshma Patel Mr. Zarksis Jahangir Parabia	0.20 1.10 0.55 0.85	0.20 1.05 1.05 0.75

**d) Outstanding Balances**

Sr No	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	<b>Entities controlled by Directors/Relatives of Directors</b>		
	<b>Trade Receivables</b>		
	E-cube India Solutions Ltd	5.60	5.60
2	<b>Key Managerial Personnel and relatives</b>		
	Mr. Alay Shah	2.02	2.97
	Mr. Aashay Shah	1.03	0.98
	Mr. Aatman Shah	0.79	0.76
	Mr. Prajesh Purohit	0.77	0.65
	Ms Niki Tiwari	0.13	0.15

**38 Contingent Liabilities**

Sr No	Particulars	As at 31st March, 2020	As at 31st March, 2019
(i)	<b>Contingent liabilities</b>		
	a) Liabilities Disputed in appeals - Sales Tax	10.34	53.03
	b) Claims against the Company not acknowledged as debt (on account of outstanding law suits)	0.23	0.23
	c) Letter of Credit, Bank Guarantees and corporate Guarantees	2,332.94	1,812.73
	<b>Total</b>	<b>2,343.51</b>	<b>1,865.99</b>
(ii)	<b>Estimated amount of contracts remaining to be executed on capital account and not provided for:</b>		
	- Tangible Assets	-	18.00

**39 Disclosure pursuant Leases:  
As Lessor:**

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Particulars	Rs in Lakhs
Less than one year	31.13
One to Two Year	16.13
<b>Total</b>	<b>47.25</b>



**40 Disclosure related to Micro, Small and Medium Enterprises:**

On the basis of confirmation obtained from the supplier who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

Particulars		As at 31st March, 2020	As at 31st March, 2019
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
	i) Principle Amount	241.55	89.80
	ii) Interest Due thereon	NIL	NIL
(b)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**41 Payments to Auditors**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Statutory Auditors</b>		
Audit Fees (including limited review)	2.55	2.55
Tax related Matters	0.75	0.40
For certification	0.05	-
Fees for other services	0.40	-

**42 Corporate Social Responsibility (CSR)**

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

- (a) Gross amount required to be spent by the company during the year: Rs. 25.23 Lakhs (Previous Year Rs. 27.47 Lakhs)  
(b) Amount spent during the year on:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>1. Construction / Acquisition of Assets</b>		
- In cash	-	-
- Yet to be paid in cash	-	-
<b>2. On purpose other than (i) above</b>		
- In cash	25.60	29.28
- Yet to be paid	-	-



**43 Operating Segments**

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

**Geographical Information**

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

**Revenue by Geography**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Within India	5,514.86	8,113.22
Outside India	1,612.71	3,725.29

**Carrying value of segment assets**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Within India	9,684.75	8,913.84
Outside India	570.88	951.49

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

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

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Dividend	5.79	5.79
Number of Non resident shareholders	2	2
Number of Equity shares held by such non resident shareholders	289,653	289,653
Year to which Dividend relates	2018-19	2017-18

**45 Investment Property**

(i)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Amount Recognised in profit or loss for Investment properties Rental Income	30.00	15.00
Depreciation	2.22	1.02
<b>Profit from Investment Property</b>	<b>27.78</b>	<b>13.98</b>

(ii)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Fair Value</b>		
Investment Properties	76.71	94.96
<b>Total</b>	<b>76.71</b>	<b>94.96</b>

Estimation of Fair Value: Method of Estimation

The company has used approve registered valuer's valuation report for the purpose of determining fair value of the Building.



**46 Fair Value Measurements**

**Financial instruments by category**

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments						
- Equity Instruments	-	-	-	-	35.07	-
Deposits	-	-	60.61	-	-	34.89
Trade Receivables	-	-	3,262.92	-	-	3,174.41
Cash and Cash Equivalents	-	-	182.82	-	-	34.54
Bank Balances other than above	-	-	4.20	-	-	247.08
Other Financial Assets	-	-	273.29	-	-	24.20
<b>Total Financial Assets</b>	-	-	<b>3,783.85</b>	-	<b>35.07</b>	<b>3,515.13</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	1,184.13	-	-	1,321.92
Trade payables	-	-	2,263.43	-	-	1,723.72
Other current financial Liabilities	-	-	318.90	-	-	303.94
<b>Total Financial Liabilities</b>	-	-	<b>3,766.45</b>	-	-	<b>3,349.59</b>

**(i) Fair value hierarchy**

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

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

As at 31st March, 2020	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVOCI</b>					
Equity Instruments	5	-	-	-	-
<b>Total Financial Assets</b>		-	-	-	-
Financial Liabilities		-	-	-	-
<b>Total Financial Liabilities</b>		-	-	-	-

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

As at 31st March, 2019	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
<b>Financial Investments at FVOCI</b>					
Equity Instruments	5	-	35.07	-	35.07
<b>Total Financial Assets</b>		-	<b>35.07</b>	-	<b>35.07</b>
Financial Liabilities		-	-	-	-
<b>Total Financial Liabilities</b>		-	-	-	-



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

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

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

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

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

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

Specific valuation techniques used to value financial instruments include:

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

**47 Financial Risk Management**

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

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

**(A) Credit risk**

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

**(i) Credit risk management**

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

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

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

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



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

**The reconciliation of ECL is as follows:**

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Balance at the beginning of the year	24.69	7.33
Provision made/(reversed) during the year	10.37	17.35
Balance at the end	35.05	24.69

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

**(B) Liquidity risk**

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

**(i) Maturities of financial liabilities**

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

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

**Contractual maturities of financial liabilities**

Particulars	Less than 1 year	More than 1 year	Total
<b>As at 31st March, 2020</b>			
<b>Non-derivatives</b>			
Borrowings	326.01	858.12	1,184.13
Trade payables	2,263.43	-	2,263.43
Other financial liabilities	295.05	23.85	318.90
<b>Total Non-derivative liabilities</b>	<b>2,884.48</b>	<b>881.97</b>	<b>3,766.45</b>
<b>As at 31st March, 2019</b>			
<b>Non-derivatives</b>			
Borrowings	276.67	1,045.25	1,321.92
Trade payables	1,723.72	-	1,723.72
Other financial liabilities	285.96	17.99	303.94
<b>Total Non-derivative liabilities</b>	<b>2,286.34</b>	<b>1,063.24</b>	<b>3,349.59</b>

**(C) Market risk**

**(i) Foreign currency risk**

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



The risk is measured through a forecast of foreign currency for the Company's operations. The Company's exposure to foreign currency risk at the end of the reporting period expressed in Indian Rupee, are as follows:

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

Currency	As at March 31, 2020		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
USD	570.88	-	570.88

Currency	As at March 31, 2019		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
USD	936.51	-	936.51
EURO	14.98	-	14.98

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

Currency	As at March 31, 2019		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
USD	1,153.19	-	1,153.19

Currency	As at March 31, 2019		
	Trade receivable and other Receivable	Hedges available	Net exposure to foreign currency risk
USD	1,347.12	-	1,347.12
GBP	0.81	-	0.81

**Sensitivity**

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

	Impact on profit after tax	
	31st March, 2019	31st March, 2018
USD sensitivity		
INR/USD increases by 5%	(29.12)	(20.53)
INR/USD decreases by 5%	29.12	20.53



**48 Capital Management**

**Risk management**

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

**49** The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

**50 Event after reporting Period**

The Board of Director recommended final dividend of Rs. 1/- per equity share for the financial year ended on 31st March, 2020. The payment is subject to approval of share holder in ensuing Annual General Meeting of the Company. (Previous year Rs. 2 per equity share).

**51** These Financial Statements were authorised for issue in accordance with the resolution of the Board of Directors in its meeting held on 27th June, 2020.

**52** The previous year's figures have been regrouped / rearranged wherever necessary to make it comparable with the current year.

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

As per our Report of even date

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

Alok Shah  
Partner  
Membership No. 042005

Place: Vadodara  
Date: 27th June, 2020

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

Alay Shah  
Managing Director  
DIN - 00263538

Niki Tiwari  
Company Secretary

Mukesh Patel  
Director  
DIN - 00009605

Prajesh Purohit  
Chief Financial Officer

Place: Vadodara  
Date: 27th June, 2020



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